TRANS LINK

2011 FIRST QUARTER FINANCIAL AND PERFORMANCE REPORT

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1. EXECUTIVE SUMMARY

The first quarter results show a fund deficit of $1.6 million which is $18 million favourable to budget due to a number of factors, including favourable transit revenues and reduced costs at the operations. By year end it is expected the fund deficit will be $49.5 million which is $9.6 million better than budget.

Total revenues are favourable to budget by $4.5 million, driven by transit revenue offset slightly by Golden Ears Bridge tolls and fuel tax. Total operating expenditures are $12.6 million favourable.

A limited time variable pricing initiative is underway for the Golden Ears Bridge to increase traffic volume. Data from this campaign will be used to determine the sensitivity of pricing on the bridge.

During the first quarter, customers gave TransLink an overall performance rating of 7.7 out of 10. This is the highest rating ever and only achieved once before the Olympic period. Despite this rating, complaints per 1 million boarded passengers were higher than target and trending higher on the conventional system, most likely the result of better tracking systems and the increased ease of reporting complaints through social media channels.

Perception of safety measures were all below target but are trending in the right direction with the exception of West Coast Express which was trending lower.

The remaining consolidated transit key performance indicators were positive for the first quarter.

The year-end forecast is expected to be $9.6 million favourable. Gains in fare revenue will be offset by lower toll and fuel tax revenues. Expenditure savings and favourable debt service costs will be offset by higher forecasted fuel costs and increased labour costs from recently negotiated settlements for BCRTC and Transit Police.

TransLink management will closely monitor revenue trends and adjust expenditures to keep on track. A key risk for the forecast period is the outstanding labour agreements which are currently being negotiated and the impacts of increasing fuel prices.

Looking forward, some highlights related to the enterprise's key objectives include:

Customer

- In the process of signing the remaining eligible schools to the UPass BC Program
- Continued improvement in transit wayfinding
- Implementing a communication strategy on the SkyTrain Station upgrades

Financial

- Continued focus on fare enforcement
- Drafting a debt policy and cumulative reserve policy strategy
- Developing a new business strategy and business plan for the Real Estate department
- Evaluate results from Golden Ears Bridge tolling discount promotion and develop a strategy for future pricing on the bridge

Stakeholder

- Supporting the Provincial Government and the Mayors' Council process to agree on sustainable funding
- Enhancing community interest in transportation issues through continued engagement

Internal Effectiveness

- Anti-idling campaign expansion
- Faregate construction activity at and around the SkyTrain stations

People

- Building internal capacity to ensure change management is embedded in enterprise initiatives

Recent changes to the Accounting Standards in Canada have resulted in a change from our current Not-for-profit organization accounting framework to Public Sector Accounting Board (PSAB). This Q1 Financial and Performance report is prepared using the existing not for profit accounting format. Management will complete the review of implications and adoption of the new standards (PSAB) which will be reflected in the year end audited Financial Statements.

2. 2011 FIRST QUARTER OVERVIEW

The table below summarizes the 2011 revenue and expenditures results to March 31, 2011 as well as the first quarter annual forecast with a comparison to both the year-to-date and budget figures. All figures are on a funded basis. When funding adjustments exist, they are shown in the detailed tables. This allows the Board, Stakeholders and the public to obtain a better understanding of the revenues that are available to fund annual Transit, Roads and Bridges and TransLink operating expenditures. Schedule 1 in Appendix 1 provides a more detailed summary of revenue and expenditures including GAAP amounts, schedule 2 provides reconciliation from GAAP to funded.

TransLink (Excluding AirCare)
2011 Revenue and Expenditure Summary
On a Funding Basis

$millions	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Forecast	2011 Budget	Fav./ (Unfav.)
Revenues						
Transit	105.7	99.9	5.9	437.3	432.5	4.8
Golden Ears Bridge Tolls	7.5	8.6	(1.1)	35.4	37.8	(2.4)
Real Estate	-	-	-	35.0	35.0	-
Taxation	169.9	170.3	(0.4)	687.7	689.4	(1.7)
Interest Income	0.7	0.6	0.2	1.9	2.6	(0.8)
Senior Government Contributions	4.8	4.8	-	19.3	19.3	-
Total Revenues	**288.5**	**284.0**	**4.5**	**1,216.5**	**1,216.6**	**(0.1)**
Expenditures						
Roads & Bridges	11.4	11.9	0.5	47.3	47.1	(0.2)
Transit	199.2	206.0	6.8	844.1	849.5	5.4
Transit Police	5.9	6.5	0.6	29.1	28.7	(0.4)
TransLink	12.0	15.5	3.5	64.9	66.3	1.4
Studies & one-time projects	(0.1)	1.1	1.2	11.3	11.0	(0.3)
Provision for Contingencies and Reinvestments	-	-	-	10.1	10.1	-
Total Operating Expenditures	**228.4**	**241.0**	**12.6**	**1,006.7**	**1,012.6**	**5.8**
Surplus/(Deficit) before Debt Service Costs/Capital Repayments	**60.1**	**43.0**	**(8.0)**	**209.8**	**204.0**	**(5.9)**
Debt Service Costs	51.9	52.8	0.9	212.9	216.7	3.8
Golden Ears Bridge Capital Repayments	9.9	9.9	0.0	46.5	46.5	-
Funded Deficit	**(1.6)**	**(19.6)**	**18.0**	**(49.5)**	**(59.1)**	**9.5**
Cumulative Funded Surplus	**326.3**	**284.2**	**42.1**	**278.3**	**244.7**	**33.6**

Key Strategic Indicators	Q1 YTD Actual	Q1 YTD Target	Fav./ (Unfav.) *	4 QTRS. to March 31,	4 QTRS. TO March 31,	Trend **
CUSTOMER						
Average customer satisfaction score (Customer survey)	7.7	7.6	0.1	7.6	7.4	▲
Perception of safety and security on the transit system (% scoring good to excellent in the Customer Survey)						
Conventional Bus						
OnBoard	78%	80%	(2%)	78%	78%	▶
Stop/Exchange	70%	75%	(5%)	72%	69%	▲
SkyTrain						
OnBoard	63%	70%	(7%)	62%	57%	▲
Station	59%	70%	(11%)	59%	55%	▲
WCE						
OnBoard & at Stations*	80%	90%	(10%)	86%	91%	▼
INTERNAL EFFECTIVENESS						
Operating cost per revenue passenger kilometre	$0.321	$0.333	$0.012	$0.337	$0.327	▼
Operating cost per revenue passenger kilometre (excluding energy)	$0.297	$0.308	$0.012	$0.314	$0.307	▼

* Favourable/(Unfavourable) may include rounding differences.

** Trend compares 4 quarters ending March 31, 2011 to 4 quarters ending March 31, 2010.
▲ favourable, ▼ unfavourable, ▶ no change

3. REVENUES

TRANSIT

Financial Performance

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
Farebox	$ 24,351	$ 26,058	$ (1,707)	$ 105,652	$ 112,938	$ (7,286)
Prepaid Fare	60,488	51,864	8,624	237,132	215,390	$ 21,742
Prepaid Contract	18,036	19,152	(1,116)	83,501	92,687	$ (9,186)
Fares	$ 102,875	$ 97,074	$ 5,801	$ 426,285	$ 421,015	$ 5,270
Other	2,863	2,785	78	11,026	11,512	$ (486)
Total Transit	$ 105,738	$ 99,859	$ 5,879	$ 437,311	$ 432,527	$ 4,784
Key Performance Indicators						
Boarded Passengers (000's)	81,523	86,756	(5,233)	341,068	346,301	(5,233)
Revenue Passengers (000's)	53,030	52,761	269	208,274	208,005	269
Average Fare per Revenue Passenger	$ 1.94	$ 1.84	$ 0.10	$ 2.05	$ 2.02	$ 0.02

Fares

First Quarter Highlights and Forecast

Transit revenue is $5.8 million favourable year-to-date, and is forecast to be $5.3 million favourable at year-end.

Farebox revenue includes cash fares on all Transit services. Farebox variance is $1.7 million unfavorable to budget. Conventional Bus is $0.6 million or 5.7 per cent below budget and SkyTrain and SeaBus is $1.1 million or 14.7 per cent below budget. This trend is forecasted to continue.

Prepaid Fares include FareSavers, Farecards (Monthly Passes), Day Passes, Employer Passes, Community Passes, and Prepaid Fares Other (refunds). Year-to-date revenues for prepaid fare media is $8.6 million or 16.6 per cent above budget. The overage is attributed to the delay of post secondary schools transitioning to U-Pass BC. One Zone FareCards and One Zone FareSavers increased the most and may also be a reflection of gas prices. Farecard revenue is anticipated to do better than budget mostly due to delays in the migration to U-Pass program.

Prepaid Contracts was $1.1 million unfavourable to budget and is forecasted to be $9.2 million unfavourable at year-end. These contracts include Government Passes, U-Pass, and Canada Post. Year-to-date revenues for Employer Pass Program were $0.5 or 7.1 per cent favourable to target and are forecast to be $1.2M or 4.4 per cent above budget at year end due to higher than budgeted enrollment. Year-to-date revenues for the U-Pass program as a whole were $1.0 million or 10.6 per cent below budget. The Spring 2011 semester for the old U-Pass program was $29 thousand or 0.4 per cent above budget. Revenues for the new U-Pass BC program were $1.1million or 80.0 per cent below budget. The budget included U-Pass BC February revenue for VCC and Douglas College. However, VCC did not start until March and Douglas College's start date in the program is still to be determined. U-Pass is forecasted to be $8.7 million below budget due to new schools joining later than what was estimated in the budget. Furthermore, VCC and Emily Carr's initial participation numbers for Q1 have been lower than forecast.

Risks and Challenges

Fare Evasion is an ongoing risk for TransLink. TransLink's Revenue Management Committee will continue to implement initiatives to increase visibility and enforcement of fare checking, and is preparing a social media communication strategy.

Other Transit

First Quarter Highlights and Forecast

Other revenue is on target year-to-date, and is forecast to be slightly under budget at year-end.

Advertising revenue is budgeted at the contractual guaranteed minimum for this year. Property rentals increases are from properties acquired relating to Canada Line service and leased out. There may be some decline when existing agreements expire.

Among the miscellaneous revenues, park & ride fees will remain strong with high fuel costs leading to higher transit ridership. This is offset by declines in miscellaneous revenues related to retail and vending machines.

Risks and Challenges

Minimal risk, as the majority of this revenue category is based on contracts.

GOLDEN EARS BRIDGE TOLLS

Financial Performance

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
Toll Revenue	$ 7,477	$ 8,559	$ (1,082)	$ 35,368	$ 37,792	$ (2,424)
Key Performance Indicators						
Crossings	2,162	2,418	(256)	10,046	10,567	(521)
Average Toll per Crossing	$ 3.46	$ 3.54	$ (0.08)	$ 3.52	$ 3.58	$ (0.06)

First Quarter Highlights and Forecast

The unfavourable revenue variance is due to lower traffic than expected during January along with adverse weather conditions experienced at the beginning of the year.

Volumes are below the target however, year-to-date traffic is 15 per cent more than the same time last year.

Using the average toll rate experienced in March, and applying the year-to-date traffic increase over last year, revenues are forecast to be below budget by $2.4 million.

Risks and Challenges

Crossings are not achieving the targets set for 2011. In the second quarter, TransLink is providing a 30 per cent discounted toll rate from April 15 to May 27 on all off-peak, weekend and statutory holiday crossings. The purpose of this initiative is to determine whether off-peak pricing can generate additional traffic and increase revenues on the Golden Ears Bridge. The financial commitments associated with construction of GEB were based on the business case. With revenues lagging, TransLink must fund the cash flow gap in the short term, until the volumes pick up. Schedule 3 in the Appendix outlines the GEB net impact on funding.

The tolls receivable from customers has not increased significantly during the first quarter, indicating that the amount of time to collect tolls has stabilized. TransLink continues to work on mitigating the collection risk through revisions to the application of the refusal to issue (RTI) process on registered customers.

REAL ESTATE

Financial Performance

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
Real Estate Revenue	$ -	$ -	$ -	$ 35,000	$ 35,000	$ -

First Quarter Highlights and Forecast

No activity has occurred in the first quarter of 2011.
The completion of the sale of the False Creek property is expected to occur this summer.

Risks and Challenges

The completion of the sale of False Creek is conditional on the receipt of a Certificate of Compliance (CoC) from the Provincial Ministry of Environment. A comprehensive site cleanup has been carried out and is being monitored. We are fully expecting to obtain the necessary CoC, however, there is a 20 per cent chance of an audit which would further delay approval to the fall.

TAXATION

Financial Performance

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
Fuel	$ 78,884	$ 79,317	$ (433)	$ 322,529	$ 324,300	$ (1,771)
Property & Replacement	73,961	74,023	(62)	296,944	297,192	(248)
Parking Rights	12,305	12,300	5	49,222	49,200	22
Hydro Levy	4,716	4,642	74	19,035	18,737	298
Total	$ 169,866	$ 170,282	$ (416)	$ 687,730	$ 689,429	$ (1,699)
Fuel volumes (000's litres)	525.9	528.8	(2.9)	2,150.2	2,162.0	(11.8)

Fuel Tax

First Quarter Highlights and Forecast

Fifteen cents per litre fuel tax is applied to gasoline and diesel fuel sales in the transportation service region, with gasoline sales being 85 per cent of total revenue. Volumes and revenues were 0.5 per cent below target in the first quarter driven by the increase in fuel price. The forecast has been adjusted to reflect the first quarter results.

Risks and Challenges

Higher gasoline prices will continue to dampen fuel tax revenues. We are continuing to monitor fuel tax remittances however, conducting trend analysis is challenging due to variability in the reporting.

Property and Replacement Tax

First Quarter Highlights and Forecast

Rates have been set to meet the 2011 budget with minor variances due to appeals.

Risks and Challenges

Minimal

Parking Rights Tax

First Quarter Highlights and Forecast

Revenues from parking rights tax were consistent with budget for the first quarter. As at the end of the first quarter, TransLink was administering remittance of the parking tax from 480 active vendors and had registered 167 new vendors since taking over administration in July 2010. The forecast is in line with the budget.

Risks and Challenges

Minimal

Hydro Levy

First Quarter Highlights and Forecast

The hydro level is a flat rate charged on hydro bills. Actual revenue is 1.6 per cent higher than the budget due to the growth in the region. The increase has been reflected through to the end of the year.

Risks and Challenges

Minimal

INTEREST INCOME

Financial Performance

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
GAAP	$ 6,021	$ 6,068	$ (47)	$ 25,054	$ 26,217	$ (1,163)
Funding Adjustments *	(5,309)	(5,513)	204	(23,190)	(23,598)	408
Interest	$ 712	$ 555	$ 157	$ 1,864	$ 2,619	$ (755)

* Funding adjustments include interest on restricted government contributions, sinking fund and debt reserve fund

First Quarter Highlights and Forecast

The funded interest income comes from interest on bank balances and unrestricted short-term investments. The lower forecasted annual interest income primarily reflects the deferral of the budgeted long-term debt issue to the fall of 2011. The budget projected that half of the long-term debt issues would be done in spring 2011 to allow more flexibility. By shifting the borrowing to the fall, there are lower average cash balances and higher short-term borrowings.

Risks and Challenges

The main risk is minimal as most of the investments are restricted funds.

SENIOR GOVERNMENT CONTRIBUTIONS & AMORTIZATION OF DEFERRED CONCESSIONAIRE CREDIT

Financial Performance

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
Capital Contributions	1,107	13,092	$ (11,985)	177,773	176,667	$ 1,106
Operating - Canada Line	4,751	4,751	$ -	19,269	19,269	$ -
Amortization of deferred Concessionaire credit	5,704	5,650	$ 54	23,078	23,078	$ -
GAAP Contributions	$ 11,562	$ 23,493	$ (11,931)	$ 220,120	$ 219,014	$ 1,106
Funding Adjustments*	(6,811)	(18,742)	11,931	(200,851)	(199,745)	(1,106)
Operating Contributions	$ 4,751	$ 4,751	$ -	$ 19,269	$ 19,269	$ -

* Funding adjustments represent senior government contributions to the capital spending program which reduce borrowing requirements, and the concessionaire credit for Canada Line

First Quarter Highlights and Forecast

Operating contributions for Canada Line are on target with the budget.

Risks and Challenges

Minimal

4. OPERATING EXPENDITURES

ROADS AND BRIDGES

Financial Performance

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
Bridge Operations	$ 328	$ 423	$ 95	$ 1,620	$ 1,694	$ 74
Major Road Network (MRN) Operations	8,167	8,208	41	32,669	32,829	160
Capital Infrastructure Contributions	6,272	16,250	9,978	72,025	67,571	(4,454)
Contingency	-	129	129	517	517	-
Total MRN & Bridges Operations	$ 14,767	$ 25,010	$ 10,243	$ 106,831	$ 102,611	$ (4,220)
Golden Ears Bridge	$ 2,782	$ 2,991	$ 209	$ 12,252	$ 11,950	$ (302)
Albion Ferry	$ 114	$ 100	$ (14)	$ 212	$ 100	$ (112)
Roads & Bridges Before Funding Adjustments	$ 17,663	$ 28,101	$ 10,438	$ 119,295	$ 114,661	$ (4,634)
Funding Adjustment*	$ (6,272)	$ (16,250)	$ (9,978)	$ (72,025)	$ (67,571)	$ 4,454
Total Funded Roads & Bridges	$ 11,391	$ 11,851	$ 460	$ 47,270	$ 47,090	$ (180)

* Contributions mainly to municipalities and the Province for infrastructure improvements

Major Road Network (MRN) and Bridges Operations

First Quarter Highlights and Forecast

Slightly favourable to budget due to timing of contingency funds being used. Contingency funding is provided for known additions to the MRN that is dependent on when municipalities complete the work. The forecast is slightly under budget.

2011 Initiatives and Focus

TransLink continues to work with the City of New Westminster and Coquitlam to reach agreement on United Boulevard Extension facility concept.

Determinations of long-term plans for the Pattullo Bridge are a priority for 2011.

Seismic upgrading of the Knight Street Bridge will be completed in 2011. Tenders for the final phase of the Seismic Upgrade have been issued and awarded with completion dates of October 31, 2011.

Risks and Challenges

There is pressure from the municipalities to provide more operating, maintenance, rehabilitation (OMR) funding to make up the shortfall between the current TransLink OMR funding levels and actual OMR costs being experienced by the municipalities for roads and for major structures on the MRN. OMR costs for the latter are not currently funded by TransLink.

Golden Ears Bridge

First Quarter Highlights and Forecast

The favourable variance year-to-date is due to timing issues, and by the end of the year there will be a $302,000 unfavourable variance. This is due to the extension of the Langley Quickpass Customer Service Centre which was scheduled to close in April and will now remain open until December 31, 2011.

Costs related to the rollout of the Spring 2011 toll discounting initiative are slightly ahead of budget, with the balance of the unfavourable variance related to increased telecommunication costs.

Risks and Challenges

TransLink is upgrading its tolling system to be compatible with the Port Mann bridge project.

Albion Ferry

First Quarter Highlights and Forecast

The Albion Ferry was taken out of service on July 31, 2009. Management has been working with a broker to complete a potential sale of the vessels as well as developing plans to scrap them in the event the sale does not complete.

Risks and Challenges

Completion of the Sale Agreement may not go through and the higher Canadian dollar makes vessels less favourable to prospective foreign buyers. TransLink continues to explore other options for the vessels.

There is an environmental risk because the vessels contain diesel fuel and have the potential for spills. Risk mitigation: TransLink has had the vessels undergo routine maintenance and inspection (and performing any subsequent repairs).

TRANSIT

Operating Activity and Performance – Consolidated Transit Service

Transit Service operations is evaluated using established key performance indicators that are linked to the goals, objectives and strategies of the organization. Conventional System includes Bus service, SeaBus, SkyTrain, Canada Line and West Coast Express. Access Transit includes HandyDART and the TaxiSaver Program. Improving or declining performance trends are determined by comparing the four-quarters ending March 31, 2010 to the four-quarters ending March 31, 2011 (hereinafter referred to as the "trend").

CONSOLIDATED TRANSIT SERVICE (INCLUDING OLYMPICS)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)*	4 QTRS. to March 31, 2011	4 QTRS. TO March 31, 2010	Trend ****
CUSTOMER						
Overall performance rating (out of 10) (Conventional System)	7.7	7.6	0.1	7.6	7.4	▲
Complaints per 1 million boarded passengers (Conventional System)	85.6	76.8	(8.8)	87.7	81.3	▼
Complaints per 1 million boarded passengers (Access Transit)	800.3	785.4	(14.9)	886.6	1,208.7	▲
CONVENTIONAL SYSTEM						
Operating cost per passenger kilometre **	$0.321	$0.333	$0.012	$0.337	$0.327	▼
Operating cost per passenger kilometre (excluding energy) **	$0.297	$0.308	$0.012	$0.314	$0.307	▼
Operating cost per total vehicle kilometre **	$5.39	$5.77	$0.38	$5.63	$5.38	▼
Average fare per revenue passenger	$1.93	$1.84	$0.09	$1.98	$1.86	▲
Operating Cost Recovery ***	52.57%	47.04%	5.53%	50.30%	51.13%	▼
Passenger injuries per 1 million boarded passengers	3.05	n/a	n/a	3.57	3.87	▲
ACCESS TRANSIT						
Operating cost per revenue passenger	$34.44	$34.77	$0.33	$34.39	$33.34	▼
Operating cost per service hour	$79.00	$80.32	$1.33	$78.00	$78.34	▲
Passenger injuries per 1 million boarded passengers	23.77	n/a	n/a	18.71	11.50	▼
SERVICE						
Service Hours (Conventional System)	1,569,827	1,557,745	12,082	6,305,551	6,155,931	▲
Service Hours (Access Transit)	150,280	148,702	1,578	599,942	504,168	▲
Service kilometres (Conventional System)	37,287,314	36,901,668	385,646	149,604,759	143,783,868	▲
PASSENGERS						
Revenue passengers (Conventional System)	53,029,626	52,760,816	268,810	207,977,535	198,606,094	▲
Revenue Passengers (Access Transit)	344,731	343,527	1,204	1,360,779	1,184,770	▲
Boarded Passengers (Conventional System)	81,522,770	86,755,576	(5,232,806)	337,724,098	328,708,798	▲
Boarded Passengers, including Taxi passengers (Access Transit)	378,591	378,128	463	1,496,772	1,304,731	▲

* Favourable/(Unfavourable) may include rounding differences.
** Total operating cost includes Subsidiary costs plus TransLink allocated costs.
*** Total operating revenue/total operating cost, excluding debt service.
**** Trend compares 4 quarters ending March 31, 2011 to 4 quarters ending March 31, 2010.
▲ favourable, ▼ unfavourable, ▶ no change

First Quarter Highlights and Trend

Customer Service

As part of the ongoing customer service performance tracking survey, transit customers are asked to rate how well the transit system, and each of the transit modes that they have used in the past 30 days, performs in terms of "overall service." As of the end of the first quarter, the year-to-date score given to the conventional transit system in terms of Overall Service is 7.7 out of 10 on average. This score is identical to that of the same period one year ago. This is positive given that one year ago our rating was mostly influenced by our performance during the Olympics.

Complaints per 1 million boarded passengers for the conventional transit system is a modified measure for this year (last year was per 10,000 boarded passengers). This will give greater relevance to the measure of complaints. The number of complaints is unfavourable to the first quarter targets. Additional channels to log complaints and commendations are now available using social media like Twitter, which we expect make it easier for the customer.

Access Transit complaints per one million boarded passengers are slightly higher than the first quarter target and are trending positively.

Conventional System

The operating cost per passenger kilometre is $0.01 or three per cent favourable to target year-to-date. The favourable variance reflects the slight increase in ridership, along with the positive impact of cost containment initiatives that continue to be implemented by TransLink and its subsidiaries. A new measure has been incorporated in this report namely "operating cost per passenger kilometer (excluding energy)." The result in the first quarter shows a favourable variance of $0.01 or 3.2 per cent.

The operating cost per total vehicle kilometre is $0.38 below budget or 6.6 per cent favourable. This is the result of lower fuel costs, lower overtime costs and continued cost containment initiatives. The negative trend is the result of increased costs due to inflation, wage increases year over year while keeping the service levels at status quo with no expansion.

The average fare per revenue passenger is higher than target by $0.09 or 4.9 per cent. The measure is also trending positively.

The operating cost recovery is 5.5 per cent favourable to target. This indicator is showing a slight negative trend of 1.6 per cent, which is less than inflation.

Passenger injuries per million boarded passengers for the first three months of 2011 are 3.05. The trend is favourable.

Access Transit

The operating cost per revenue passenger is $0.33 favourable to target. This is the result of revenue passengers being slightly higher than target, and a savings in fuel and vehicle maintenance costs. The trend is showing a higher cost in the current four quarters of 3 per cent, which will improve as fixed cost reductions are realized for the balance of the year.

Operating cost per service hour is $1.33 favourable with an increased number of service hours and a reduction of fuel and maintenance costs.

Reported passenger injuries are higher for the first quarter, in part due to significantly improved reporting for incidents and minor injuries. Passenger injuries per million boarded passengers are 23.77 for the three months

ending March 31. Significant actions are underway by the service contractor to address passenger injuries and safety in general. These include re-fresher training on passenger securement and driver safety. Also, a new Director, Safety position will be staffed in June to further address these issues. To reduce stair-related tripping incidents, Access Transit is working with TransLink in an effort to identify suitable low-floor vehicles.

Service

Delivered service hours for conventional transit for the first quarter of 2011 are 12,000 above target. This is partially due to the December 2010 service changes for bus services from the Service Optimization initiative to reallocate resources to more productive routes. These service optimization initiatives are ongoing and will impact each new service schedule throughout the year differently as the increases and decreases are not equal and offsetting in each schedule. The December changes increased conventional bus service by 9,000 hours in the first quarter and reduced community shuttle service by 4,000 hours for a net increase of 5,000 hours. The balance of the increase was additional service on the Skytrain line of 6,000 hours due to earlier builds for morning or afternoon peaks, extension of peak service from King George station to alleviate overcrowding, and fewer cancelled trains. With spring 2011 schedule service changes the total annual service will be within budget.

Conventional service kilometers are showing a first quarter increase for the same reason as explained for the service hour increase.

Access Transit service hours is ahead of the year-to-date target by slightly over 1 per cent as the HandyDART provider continues to attract passengers back to the service after the work stoppage in late 2009 and early 2010. The trend reflects the work stoppage impact on the prior period.

Passengers

Actual revenue passengers are 268,000 ahead of target and boarded passengers are down 5.2 million for the first three months of 2011. The reason for the lower actual boarded passengers compared to target is the use of more current estimates for transfer rates for the Vancouver Transit Centre starting in January 2011. These rates are not reflected in the target numbers since those values were based on 2010 ridership estimates. The trend for both measures is positive.

Both revenue and boarded passengers for Access Transit are slightly above target for 2011. Passengers have now surpassed the 2009 levels.

Bus Division

Context/Overview

The first quarter of 2011 included the effects from the implementation of the Service Optimization initiatives in December 2010, finalization of the 2011 budget strategic initiatives and the organizational changes made in February 2011. The organizational changes and transfers of Business Technology and other staff and resources to TransLink in February were adjusted for in the final 2011 budget.

The Bus Division's results to the end of the first quarter are under budget by $4.6 million. Items generating a favourable variance are lower overtime, material and fuel costs, delays in hiring, and the timing of expenditures. Service Delivery is actively working on managing operator's non-productive time and overtime and Fleet Management is also focused on minimizing overtime. CNG fuel and facilities natural gas utilities costs are lower than budgeted due to the lower than planned natural gas contract renewals in November 2010. Diesel fuel was favourable due to better utilization rates and lower prices in early 2011.

The forecast for the Bus Division to the end of the year is $2.5 million below budget. Year to date wage and salary favourable variances and non-timing items for revenue vehicle repair materials are included in the first quarter forecast. Access Transit is currently negotiating a reduction to fixed costs with the HandyDART contractor based on existing service levels and the expected reduction has been included.

CNG fuel and facilities cost savings due to the better natural gas pricing have been projected to the end of the year as well as lower vehicle insurance costs. With the global economic unrest, the world prices of diesel increased steadily through the first quarter and prices through the end of the year are expected to be higher than budgeted. The electricity price and costs for the trolleys are being forecast as budgeted. Forecasts for all other operating expenses have been maintained at their budget levels.

Financial Performance

Operating Expenditures ($000s)	YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Forecast	Annual Budget	Variance Fav/(Unfav)
CMBC						
Operations	$ 70,910	$ 71,492	$ 582	$ 296,805	$ 297,262	$ 457
Maintenance	34,437	37,485	3,048	152,435	154,214	1,779
Indirect/Administration	6,309	6,496	187	25,141	24,971	(170)
Subtotal	111,656	115,473	3,817	474,381	476,448	2,067
Fuel	11,826	12,513	686	51,674	51,539	(135)
Total	$ 123,482	$ 127,985	$ 4,504	$ 526,055	$ 527,987	$ 1,932
Contract Community Shuttle						
Operations	$ 701	$ 707	$ 7	$ 2,831	$ 2,835	$ 4
Maintenance	135	109	(27)	516	436	(80)
Indirect/Administration	171	171	1	687	686	(1)
Subtotal	1,007	987	(20)	4,034	3,957	(77)
Fuel	192	180	(12)	816	719	(97)
Total	$ 1,198	$ 1,167	$ (31)	$ 4,850	$ 4,676	$ (173)
West Vancouver						
Operations	$ 1,745	$ 1,770	$ 25	$ 7,261	$ 7,254	(7)
Maintenance	738	747	10	2,985	2,985	--
Indirect/Administration	384	384		1,536	1,536	--
Subtotal	2,866	2,901	35	11,782	11,774	(7)
Fuel	456	461	5	1,986	1,843	(143)
Total	$ 3,322	$ 3,362	$ 40	$ 13,768	$ 13,618	$ (150)
Conventional Transit	$ 128,003	$ 132,515	$ 4,512	$ 544,673	$ 546,281	$ 1,608
Access Transit						
Operations	$ 6,225	$ 6,095	$ (130)	$ 24,400	$ 24,579	$ 178
Maintenance	571	618	48	2,492	2,492	--
Indirect/Administration	4,445	4,574	129	17,707	18,451	743
Subtotal	11,241	11,287	46	44,600	45,522	922
Fuel	631	657	26	2,665	2,626	(39)
Total	$ 11,872	$ 11,944	$ 72	$ 47,265	$ 48,148	$ 883
Total Bus Division						
Operations	$ 79,581	$ 80,064	$ 483	$ 331,298	$ 331,930	$ 632
Maintenance	35,881	38,959	3,079	158,428	160,128	1,700
Indirect/Administration	11,308	11,625	317	45,071	45,644	572
Subtotal	126,770	130,649	3,879	534,797	537,701	2,904
Fuel	13,104	13,810	705	57,141	56,728	(414)
Total	$ 139,874	$ 144,459	$ 4,584	$ 591,938	$ 594,429	$ 2,490

Key Performance Indicators

KPI's	YTD Actual	YTD Budget	Fav./ (Unfav.)	QTRS. Ending Mar. 31/11	QTRS. Ending Mar. 31/10	Trend *
CONVENTIONAL TRANSIT						
Customer						
Delivered service hours/scheduled	99.81%	99.50%	0.31%	99.81%	99.86%	▶
Overall performance rating out of 10	7.6	n/a	n/a	7.6	7.6	▶
Complaints per 1 m boarded passengers	118.1	114.0	(4.0)	119.8	105.9	▼
Internal Effectiveness						
Operating cost per service hour	$ 104.17	$ 108.27	$ 4.10	$ 109.88	$ 107.73	▼
Operating cost per passenger km.	$ 0.396	$ 0.412	$ 0.016	$ 0.434	$ 0.429	▼
Operating cost (excluding energy) per passenger km.	$ 0.358	$ 0.371	$ 0.013	$ 0.397	$ 0.398	▶
CMBC						
Customer						
Delivered service hours/scheduled	99.80%	99.50%	0.30%	99.81%	99.85%	▼
Overall performance rating out of 10	7.6	7.6	-	7.6	7.6	▶
Preventable collisions per million kms.	8.5	9.0	0.5	9.1	9.9	▲
Internal Effectiveness						
Operating cost per service hour	$ 105.22	$ 109.46	$ 4.25	$ 111.26	$ 109.20	▼
Operating cost per passenger km.	$ 0.398	$ 0.415	$ 0.017	$ 0.439	$ 0.435	▶
Operating cost (excluding energy) per passenger km.	$ 0.360	$ 0.374	$ 0.014	$ 0.402	$ 0.403	▶
Mean distance between vehicle failures	27,996	21,972	6,024	29,895	23,598	▲
Total spills per million kms.	14.8	14.0	(0.8)	15.4	15.9	▲
People						
Assaults per million service hours	25.6	23.1	(2.5)	24.5	29.4	▲
Engagement Pulse Checks	n/a	60.0%	n/a	n/a	n/a	
Lost time Frequency (per 200,000 hours worked)	4.61	n/a	n/a	6.66	6.70	▲
Contract Community Shuttle						
Customer						
Delivered service hours/scheduled	99.94%	99.95%	(0.01%)	99.97%	99.96%	▶
Internal Effectiveness						
Operating cost per service hour	$ 56.43	$ 55.25	$ (1.18)	$ 55.14	$ 50.19	▼
Operating cost per passenger km.	$ 0.540	$ 0.580	$ 0.040	$ 0.549	$ 0.545	▶
Operating cost (excluding energy) per passenger km.	$ 0.460	$ 0.490	$ 0.030	$ 0.466	$ 0.469	▶
West Vancouver						
Customer						
Delivered service hours/scheduled	99.86%	99.95%	(0.1%)	99.65%	99.90%	▶
Internal Effectiveness						
Operating cost per service hour	$ 97.83	$ 100.04	$ 2.21	$ 96.40	$ 92.42	▼
Operating cost per passenger km.	$ 0.310	$ 0.300	$ (0.010)	$ 0.279	$ 0.275	▶
Operating cost (excluding energy) per passenger km.	$ 0.270	$ 0.260	$ (0.010)	$ 0.243	$ 0.243	▶
ACCESS TRANSIT						
Customer						
Complaints per 1 m boarded passengers	800.3	785.4	(14.9)	886.6	1,208.7	▲
Internal Effectiveness						
Operating cost per service hour	$ 79.00	$ 80.32	$ 1.32	$ 78.00	$ 78.34	▲
Operating cost per boarded passenger	$ 31.36	$ 31.59	$ 0.23	$ 31.26	$ 30.27	▼
Operating cost per passenger km. **	$ 6.21	$ 6.22	$ 0.01	$ 5.35	n/a	
Operating cost (excluding energy) per passenger km. **	$ 5.87	$ 5.87	$ -	$ 5.08	n/a	
Service Hours (Delivered 000's)						
Conventional Bus	1,058.6	1,050.0	8.6	4,236.6	4,282.2	▼
Community Shuttle	112.4	117.0	(4.6)	464.1	471.4	▼
SeaBus	2.6	3.0	(0.4)	10.7	11.2	▼
CMBC Total	1,173.6	1,169.0	4.6	4,711.4	4,764.7	▼
Contracted Community Shuttle	21.2	21.0	0.2	85.2	84.4	▶
West Vancouver	34.0	34.0	-	136.7	137.7	▶
Conventional Transit Total	1,228.8	1,224.0	4.8	4,933.3	4,986.8	▼
Access Transit	150.3	149.0	1.3	599.9	504.2	▲

* Trend compares 4 quarters ending March 31, 2011 to 4 quarters ending March 31, 2010.
▲ favourable, ▼ unfavourable, ▶ no change

** Access Transit passenger km. not recorded prior to Jan 1, 2010

First Quarter Highlights and Forecast

Coast Mountain Bus Company

CMBC's results for the first quarter year-to-date are under budget $4.5 million. CMBC is forecast to be under budget by $1.9 million at year end.

Operations costs are $582 thousand favourable year-to-date. Wages are under budget by $380 thousand mainly due to managing operator's non-productive time and overtime. New operator training wages are $94 thousand unfavourable due to the timing of the conventional bus operator training program. Vacant service salaried positions, labour mix and less part-time hours worked than planned has resulted in a favourable variance of $283 thousand. There are also favourable variances from lower insurance on revenue vehicles of $119 thousand offset by higher than planned snow and ice mitigation costs of $317 thousand. Additional favourable variances are due to timing of expenditures.

Operations are forecast to be $457 thousand favourable. Variances include favourable wages and salaries realized to date of $569 thousand and lower revenue vehicle insurance expenses of $205 thousand, offset by higher snow and ice mitigation costs of $317 thousand in the first quarter.

Maintenance costs are under budget by $3.0 million. Revenue vehicles maintenance materials accounts for $1.3 million of this variance, which includes fewer brake relines, transmission replacements and trolley parts used compared to plan and the timing of parts usage. Wages are $759 thousand favourable due to lower overtime, vacancies and wage rate differences. Salaries were $165 thousand favourable largely due to vacant positions and the labour mix. Reduced utilities costs of $265 thousand are due to warmer weather and lower than planned natural gas contract renewals. The remainder are a number of timing variances for goods and services.

Maintenance is forecast to be $1.8 million favourable. Revenue vehicles maintenance materials accounts for $541 thousand of this variance, which includes first quarter favourable variances. The forecast realizes wages and salaries favourable variances experienced to date and reduced utilities costs due to warmer weather and lower than planned natural gas prices in the first quarter.

Indirect/Administration cost variance is $187 thousand favourable. Favourable variances in salaries of $112 thousand are mainly due to vacant positions, fewer casual hours in Customer Information and recoveries for work on capital projects. Benefits are $302 thousand favourable because of a timing difference on the benefit charge out allocation and benefits expenditures. These are offset by unfavourable variances in wages of $288 thousand due to annual vacation payouts for employees on LTD and a variety of smaller timing differences.

The Indirect/Administration forecast is unfavourable $170 thousand. The unfavourable forecast is the combination of the year to date vacation payouts less the favourable salary variance plus an adjustment on retroactive salary merit pay.

Fuel had a favourable variance of $686 thousand with $398 thousand due to $0.03 per litre lower diesel fuel prices and $158 thousand favourable diesel usage variance (108,000 fewer litres consumed). There was also a favourable variance of $130 thousand on CNG due to lower prices and consumption.

The fuel forecast is $135 thousand unfavourable over budget due to projected higher diesel fuel costs offset by a projected lower consumption, increase for DC power due to more trolley kilometres and usage offset by favourable CNG costs due to lower natural gas contract prices of $2.47/GJ and lower consumption.

Contract Community Shuttle

Contract Community Shuttle's variance is $31 thousand unfavourable consisting of higher vehicle maintenance and diesel fuel usage, offset by lower operations costs due to timing of expenditures.

The forecast variance is $173 thousand unfavourable due to higher vehicle maintenance expenses and higher forecasted diesel fuel prices.

West Vancouver

West Vancouver contracted services is under budget by $40 thousand year to date due to an over accrual of prior year costs, timing on vehicle maintenance, and lower diesel fuel prices.

West Vancouver's forecast for the year is $150 thousand over budget due to higher vehicle insurance expenses and higher fuel costs due to projected diesel fuel prices through the end of the year.

Access Transit

Access Transit has a favourable variance of $72 thousand year-to-date due to lower vehicle maintenance, diesel fuel, insurance, fixed costs and the timing of some expenditures. These were slightly offset by higher use of taxi services and higher snow removal costs.

Access Transit's forecast is $883 thousand lower than budget due to lower vehicle insurance rates, lower fixed costs, offset by higher snow removal costs experienced in the first quarter, and higher fuel cost due to projected higher diesel fuel prices through the end of the year.

Key Performance Indicators

Coast Mountain Bus Company

Complaints per million boarded passengers are unfavourable year-to-date and show an increase in the trend. Additional tracking systems such as Twitter and the mobile-friendly webform enable customers to log complaints and commendations with ease.

The delivered service ratio is above target due to fewer reported cancellations and this is a stable trend.

The overall performance rating measure is on target and shows a stable trend.

Preventable collisions per million kilometres are tracking favourable with preliminary results for the first quarter; the trend is also tracking favourably. In the first quarter of 2011 there were 25 fewer collisions than in the same time period in 2010; the results can change due to the timing of the adjudication process.

The mean distance between vehicle failures is favourable for the first quarter and is showing a favourable trend driven by our new vehicles. There have been 119 fewer major technical failures than in the first quarter of 2010.

The total spills per million kilometres are tracking unfavourable year-to-date. Coolant spills remain the major issue and Nova Bus will be providing a remedy that should address a large portion of these.

Assaults per million service hours are unfavourable but there have been three fewer assaults than in the first quarter of 2010 and the trend is improving.

Lost time frequency is tracking low year-to-date due to the timing of processing claims; the trend is stable. This measure's history will change due to the timing of finalizing the WorkSafe BC claims.

Contract Community Shuttle

The delivered service ratio is on target year-to-date with a stable trend.

West Vancouver

The delivered service ratio is close to target year-to-date and shows a stable trend.

Access Transit

Complaints per million boarded passengers are unfavourable year-to-date with a favourable trend. Complaints were higher in the four quarters ending March 2010 due to the impact of the introduction of a new service provider and the consolidation of the eight previous operating areas in 2009. Complaints have decreased as customers are starting to see the benefits.

2011 Initiatives and Focus

Customer

The vehicle cleanliness audit process implemented last year continues to be performed to monitor and improve bus cleanliness. A scheduling process has been implemented at all locations so interior cleans are now triggered by time and mileage and are measured to ensure on-time and leveled scheduling.

The Bus Division and TransLink Planning are working on design and costs of new transit signage for wayfinding. CMBC Security has increased foot patrols in loops and terminus to improve safety.

Financial

Continue fare enforcement through staff and participate in fare evasion programs through a Transit Security presence in key areas at key times – 8,000 customers checked per month in Fare Paid Zone inspections.

Internal Effectiveness

Spare ratio optimization was conducted in January with a target of 18-20 per cent for the conventional diesels and 25 per cent for the high usage/alternate technology vehicles (trolleys, hybrids, CNG's, Community Shuttles). Options were reviewed to deal with extra vehicles and the recommendation was to continue using them to backfill for campaign/warranty work rather than incur storage and re-commissioning costs or trying to sell and then re-purchase at a later date.

Continue expanding the anti-idling campaign. The GHG intensity rolling 12-month average for the first quarter of 2011 continues to decline due to positive impacts of the idling reduction campaign. The declining trend is expected to flatten out as the colder than average Winter 2011 data is included. Anti-Idling signage is to be rolled out to bus loops/exchanges during the remainder of 2011.

2011 PowerSmart capital upgrades at Burnaby Transit Centre (BTC) are getting underway. Continuous optimization equipment and monitoring will also be installed at BTC. Initial meetings have been held to plan the roll-out of the Energy Awareness Campaign that targets a 1 per cent ($23 thousand) overall reduction in energy consumption in the first year following the launch.

People

Completed 10 days of training with 35 Acting Supervisors and Acting Duty Manager attendees and expanded the program to include Road Services Crews.

Work has begun on a video review process where Operators will be able to work with Training and Service Delivery to review accidents to correct improper driving habits.

Identified Steering Committee members from WorkSafe, TransLink, BCRTC and CMBC and set parameters for co-operative program. First formal meeting of Steering Committee will be in May 2011.

Implementation of the Phase 2 Bus Camera expansion to complete 34 trolleys as well as 169 Nova diesel/diesel hybrids at Vancouver Transit Centre (VTC).

Risks and Challenges

The major risks to achieving both the 2011 budget and forecast are:

- Labour contract negotiations with CAW and COPE are underway.
- Uncertainty of future diesel fuel prices, offset somewhat by hedging contracts.

Ongoing operational challenges through to the end of 2011 include:

- A number of manufacturer warranty campaigns are underway or planned for the fleet vehicles, and while costs are generally recoverable from suppliers, the planning and completion of the work divert resources away from other operational activities and objectives.
- The retirement and attrition of operators and the effective coordination of the timing of hiring and training of replacements to avoid overtime costs or service disruptions.
- BC Place construction and the use of Empire field by the BC Lions and Vancouver Whitecaps through to the return to BC Place on September 30 involves added security, transit supervisors and additional service.
- The Service Optimization initiative's service changes, increases and decreases, are not equal and offsetting in each seasonal service schedule. There is an impact on the overall fiscal service delivered from the timing of the changes in each quarter. There are also service change impacts on the different depot area service levels and conventional bus versus community shuttle that affect staffing and training requirements.
- Managing any bus service impacts from the numerous SkyTrain upgrade projects and fare gate construction at stations.

Rail Division

Context/Overview

During the first quarter of 2011, SkyTrain had solid financial results, delivered increased service kilometres, continued to prepare for the new MKII trains coming off of warranty starting in July, and made progress on many of its 2011 initiatives. Overall, net operating costs for the Expo and Millennium Lines were in line with budget and Canada Line had a 2.4 per cent favourable budget-to-actual variance.

Ongoing focus on the Mystery Shopper scores during the first quarter of 2011 resulted in SkyTrain achieving an overall mystery shopper score of 3.2 per cent above target and trending positively. In addition, vehicle and wayside maintenance initiatives and training on the new MKII trains has helped maintain strong system reliability and significantly improve the mean distance between failures. However, SkyTrain also experienced increases in passenger injuries and lost time frequency.

Collective bargaining went into mediation on February 22. A proposal was put to vote by union members in March, and a ratified collective agreement was announced on April 4, 2011. The financial impacts of the ratified agreement are included in the 2011 annualized forecast presented in this report, including retroactive pay to September 1, 2010 of $709,831. No adjustments to exempt employee costs have been included in the 2011 forecast.

Several Enterprise Shared Services initiatives are underway, including the fare gate project, role profiling to align BCRTC's exempt staff with others in the enterprise, safety measures, communications strategies, and several system related projects such as the human resource information system (HRIS) PeopleSoft application.

Financial Performance

($000's)	YTD Actual	YTD Budget	Variance Fav/ (Unfav)	Annual Forecast	Annual Budget	Variance Fav/ (Unfav)
SkyTrain - Expo and Millenium						
Operations	$ 6,067	$ 6,018	$ (49)	$ 24,420	$ 23,886	$ (534)
Maintenance	11,250	11,119	$ (131)	48,189	46,997	(1,192)
Indirect/Administration	2,699	2,698	$ (1)	11,522	11,470	(52)
Sub Total	20,016	19,835	(181)	84,131	82,353	(1,778)
Fuel/Hydro Propulsion	2,705	2,887	182	11,509	12,165	656
Amortization	162	204	42	1,031	1,031	-
Total	$ 22,883	$ 22,926	$ 43	$ 96,671	$ 95,549	$ (1,122)
Canada Line						
Operations	$ 22,845	$ 23,332	$ 487	$ 99,085	$ 99,102	$ 17
Maintenance	108	119	$ 11	530	542	$ 12
Indirect/Administration	216	285	$ 69	917	911	$ (6)
Sub Total	23,169	23,736	567	100,532	100,555	23
Fuel/Hydro Propulsion	-	-	-	-	-	-
Amortization	-	-	-	-	-	-
Total	$ 23,169	$ 23,736	$ 567	$ 100,532	$ 100,555	$ 23
Automated Light Rapid Transit	$ 46,052	$ 46,662	$ 610	$ 197,203	$ 196,104	$ (1,099)
West Coast Express						
Operations	$ 2,640	$ 2,753	$ 113	$ 10,466	$ 10,718	$ 252
Maintenance	1,083	1,318	$ 235	4,371	4,342	$ (29)
Indirect/Administration	431	489	$ 58	2,156	2,194	$ 38
Sub Total	4,154	4,560	406	16,993	17,254	261
Fuel/Hydro Propulsion	334	368	34	1,532	1,472	(60)
Amortization	-	-	-	34	49	15
Total	$ 4,488	$ 4,928	$ 440	$ 18,559	$ 18,775	$ 216
Total Rail Division						
Operations	$ 31,552	$ 32,103	$ 551	$ 133,971	$ 133,706	$ (265)
Maintenance	12,441	12,556	115	53,090	51,881	(1,209)
Indirect/Administration	3,346	3,472	126	14,595	14,575	(20)
Sub Total	47,339	48,131	792	201,656	200,162	(1,494)
Fuel/Hydro Propulsion	3,039	3,255	216	13,041	13,637	596
Amortization	162	204	42	1,065	1,080	15
Total	$ 50,540	$ 51,590	$ 1,050	$ 215,762	$ 214,879	$ (883)
Retail Revenue	132	146	(14)	490	590	(100)

Key Performance Indicators

KPI's	YTD Actual	YTD Budget	Fav./ (Unfav.)	4 QTRS. Ending Mar. 31/11	4 QTRS. Ending Mar. 31/10	Trend *
Rail Division						
Customer						
Operating cost per passenger km.	$ 0.170	$ 0.170	$ -	$ 0.161	$ 0.139	▼
Operating cost (excluding energy) per passenger km.	$ 0.160	$ 0.160	$ -	$ 0.154	$ 0.132	▼
Internal Effectiveness						
Complaints per 1 m boarded passengers	11.38	n/a	n/a	13.86	9.52	▼
SkyTrain - Expo and Millenium Lines						
Customer						
Service reliability (% service hours delivered)	99.7%	99.8%	(0.1%)	99.7%	99.6%	▶
On-time performance % (within 2 minutes)	95.1%	94.5%	0.6%	95.4%	94.9%	▶
Overall mystery shopper score	93.2%	90.0%	3.2%	92.6%	91.5%	▲
Complaints per 1 m boarded passengers	4.8	5.1	0.4	5.1	5.2	▲
Major passenger injuries per 1 m boarded passengers	1.83	1.10	(0.73)	1.33	1.31	▶
Internal Effectiveness						
Operating cost per total vehicle km.	$ 2.07	$ 2.13	$ 0.06	$ 2.06	$ 2.16	▲
Operating cost per passenger km.	$ 0.129	$ 0.121	$ (0.008)	$ 0.123	$ 0.117	▼
Operating cost (excluding energy) per passenger km.	$ 0.118	$ 0.110	$ (0.008)	$ 0.112	$ 0.109	▼
Mean distance between failures	374,086	250,000	124,086	353,244	282,912	▲
Collisions and derailments per million km.	-	-	-	0.02	-	
People						
Lost time frequency (per 200,000 hours worked) **	5.54	2.12	(3.43)	3.63	2.21	▼
Canada Line * **						
Customer						
Service reliability (% service hours delivered)	100.0%	100.0%	0.0%	100.0%	100.0%	▶
Availability vehicle, station, system	100.0%	100.0%	0.0%	100.0%	100.0%	▶
Perception of security - onboard and at stations	8.6	8.5	0.1	8.6	8.5	▲
Complaints per 1 m boarded passengers	14.6	n/a	n/a	20.0	24.9	▲
Quality - vehicle, station, system	99.7%	100.0%	(0.3%)	99.8%	99.8%	▶
Internal Effectiveness						
Operating cost per revenue vehicle km.	$ 15.41	$ 15.78	$ 0.38	$ 14.36	$ 13.31	▼
Collisions and derailments per million km.	-	-	-	-	-	
Contract adherence monitoring	95.5%	98.5%	(3.0%)	95.4%	95.8%	▶
West Coast Express						
Customer						
Service reliability (% service hours delivered)	99.7%	99.8%	(0.1%)	99.6%	99.7%	▶
On-time performance (within 5 minutes)	97.4%	96.2%	1.2%	97.1%	98.0%	▶
Overall customer satisfaction - mystery shopper	91.7%	86.5%	5.2%	90.3%	87.1%	▲
Complaints per 1 m boarded passengers	136.5	86.7	(49.74)	178.4	104.0	▼
Major passenger injuries per 1 m. boarded passengers	-	1.45	(1.45)	1.10	-	
Internal Effectiveness						
Operating cost per total vehicle km.	$ 11.67	$ 12.77	$ 1.10	$ 12.50	$ 11.76	▼
Operating cost per passenger km.	$ 0.18	$ 0.20	$ 0.03	$ 0.19	$ 0.18	▼
Operating cost (excluding energy) per passenger km.	$ 0.16	$ 0.19	$ 0.02	$ 0.18	$ 0.17	▼
Mean distance between failures	352,666	152,000	200,666	217,325	173,376	▲
Collisions and derailments per million km.	-	-	-	-	-	
People						
Lost time frequency (per 200,000 hours worked)	-	-	-	-	-	
Service Stats (including Olympics)						
Service Kilometres (000's)						
SkyTrain - Expo and Millennium Line	11,575	11,282	292	46,617	42,617	▲
SkyTrain - Canada Line ***	1,504	1,504	-	6,093	3,816	▲
West Coast Express	384	387	-3	1,453	1,431	▲

▲ favourable, ▼ unfavourable, ▶ no change

* Trend compares 4 quarters ending March 31, 2011 to 4 quarters ending March 31, 2010, improving trends are >1%; negative trends are <1%, with the exception of measures using operating costs where the threshold used is < or > 2%

** One lost time accident (LTA) was a result of an incident in 2010 that had no impact until 2011. Two LTAs were a result of technicians being rear-ended in an automobile accident.

*** Canada Line results for the first quarter of 2011 reflect available data up to and including March 22, 2011. Results for the four quarters ending March 31, 2010 include results from when service began in August 2009.

First Quarter Highlights and Forecast

Expo/Millennium Line

During the first quarter of 2011, the operating costs related to the Expo and Millennium Lines were slightly under budget by $43 thousand. The 2011 annualized forecasted costs are expected to result in an overrun of $1.1 million. This 1.2 per cent increase in operating costs is primarily due to bargaining unit wage increases retroactive to September 1, 2010 from the ratification of a new collective agreement.

Operations costs for the first quarter were $49 thousand over budget. The unfavourable variance was mainly attributed to overtime worked in the control and field departments to cover for staff on the negotiations team and fast tracking the training for relief control operators (RCO) on the automatic train control (ATC) system. The forecasted negative variance at year end of $534 thousand is primarily due to the negotiated wage increases for bargaining unit staff.

Maintenance costs were $131 thousand over budget. Excluding the warranty recovery related to work performed in 2010 of $248 thousand, maintenance costs were over budget by $380 thousand in the first three months of 2011. This unfavourable variance was primarily a result of repairs on an aging fleet/infrastructure, as well as overtime. Specifically, the elevator/escalator overtime was excessive due to both inadequate staffing levels and additional inspections required by the elevator safety branch. The overtime overrun in vehicles was related to the warranty work and vehicle training on the new MKII cars. The forecasted negative variance at yearend of $1.2 million is due to the bargaining unit's negotiated wage increase, additional overtime costs for the elevator/escalator department and fire extinguisher inspection costs not previously budgeted for.

Indirect/Administration costs were on budget in the first quarter. By year-end, costs are expected to increase resulting in an unfavourable variance of $53 thousand, which is mostly due to costs resulting from the mediated collective agreement settlement.

Fuel and hydro propulsion costs were $182 thousand under budget. This variance is due to a higher base cost per kilometre used in the budget as compared to the actual. Annually the favourable variance increases to $656 thousand, with the rate dropping from 11.92 per cent in the budget to 7.6 per cent in the forecast, along with the removal of the overestimated budget for the Operations and Maintenance Centre (OMC) expansion.

Amortization costs were $42 thousand under budget. This variance is a result of timing differences that are expected to dissipate by the end of 2011.

Retail revenue was $14 thousand under budget in the first quarter. The unfavourable variance is due to lower than expected sales at the vending machines during the winter months. Revenue is forecasted to have an unfavourable variance of $100 thousand by the end of 2011 as construction activities begin at stations related to either the fare gate project or other independent projects, which will result in reduced rent and sales at various retail outlets.

Canada Line

Canada Line's results for the first quarter of 2011 were $567 thousand under budget. This favourable variance is a result the unused 2.4 per cent contingency offset by additional legal costs. The 2011 forecast results in an under-run of $23 thousand primarily due to a contractual 3.17 per cent retroactive calculation on the labour component's inflation rate as a result of BCRTC's retroactive wage increase adjustment to September 1, 2010.

West Coast Express

Expenditures for the first quarter are $440 thousand below budget due to timing differences on maintenance work. An underrun of $216 thousand is forecast at year-end due to the elimination of weekend TrainBus and adjusted weekday TrainBus service, partially offset by increased diesel fuel costs.

Operations costs for the first quarter were $113 thousand below budget. Lower snow removal costs, a timing difference in miscellaneous station repairs, and lower maintenance costs on TVMs, offset by higher Hydro costs accounted for this variance. At year end, the underrun will be $252 thousand, or 2.3 per cent below budget. The elimination of weekend TrainBus and adjusted weekday service will result in $148 thousand of savings. A savings of $40 thousand from Fare collection system/maintenance is forecasted. Station maintenance is forecasted slightly above budget due to extra inspection work on the Waterfront escalators.

Maintenance costs paid to Via Rail for maintenance of the fleet were $235 thousand, or 17.8 per cent below first quarter budget. Year to date savings were realized due to reduced overtime in inspections now performed at the Vancouver Maintenance Centre and timing differences due to locomotive upgrades and seat cushions. The YTD savings were offset by car battery disposal costs and technical support for the EMDEC upgrades in shop materials. At year end, timing differences on maintenance work will catch up and maintenance costs are forecasted to be $30 thousand above target due to unexpected car battery disposal cost and installation technical support costs.

Indirect/administration costs were $59 thousand below budget during the first quarter. The savings are attributed to professional fees, payroll benefits, a rebate on rent operating costs, and timing difference on land leases. The YTD savings were offset by increased casual hours to replace an employee on short-term disability. At year end, the forecast for indirect/administrative costs will be $38 thousand below budget due to adjusted rent operating costs, savings in payroll benefits, and telephone expenses.

Diesel fuel costs were $34 thousand under budget. This is primarily a result of average diesel fuel prices for the first quarter 2011 at $0.92 per litre compared $1.15 per litre originally budgeted. Fuel prices are expected to rise; diesel has been forecasted to be $1.26 per litre from April to June and $1.27 per litre from July to December (due to carbon tax increase on July 1, 2011). Fuel costs have increased by 23.0 per cent over the last 12 months.

Key Performance Indicators

Expo/Millennium Line

Service reliability remained stable at 99.7 per cent over the last four quarters; however, this result was slightly below the target of 99.8 per cent. The most significant incident occurred in January when a power rail fire at Royal Oak Station resulted in a loss of 1,961 train kilometres.

On-time performance in the first quarter of 2011 of 95.1 per cent exceeded the target of 94.5 per cent, and was slightly below 95.4 per cent achieved over the last four quarters.

The overall mystery shopper score for the first quarter of 2011 exceeded the target by 3.2 per cent and exceeded the last four quarters by 0.6 per cent. This is a result of BCRTC's ongoing commitment to address areas that have had lower customer ratings. Specifically, the most improved areas were announcements and communications, customer information phones and advertising.

Consistent with the improved mystery shopper score, customer complaints per one million boarded passengers decreased in the first quarter of 2011 to 4.8 with a prior four quarter average of 5.1. Of the 86 complaints received in the first quarter, 26 were related to customer service and 27 were related to stations/parkways.

Major passenger injuries per million boarded passengers for the four quarters ending March 31, 2011 were 1.33; this was slightly above the 2010 four quarter average of 1.31. The first quarter result of 1.83 was the highest this

ratio has been in four years. There were 33 injuries in the first quarter where a person's injures were serious enough to be taken to the hospital by ambulance, compared to 90 such injuries for all of 2010 – an increase of 47 per cent. More than half of the incidences remain to be a result of slips and falls on stairs and escalators. A project is being funded through the captive insurance program to pilot an escalator safety initiative at the longest escalator located at the Burrard station. We will use signage, electronic messaging and physical enhancements to try to reduce the exposure.

Operating cost per vehicle kilometre for the first three months of 2011 of $2.07 was less than the target of $2.13 and below the prior four quarter average of $2.06. Of this variance, $0.02 was a result of $248 thousand of unprocessed 2010 Bombardier warranty claims accrued in the first quarter of 2011; the remainder of the difference was due to timing differences of operating costs. It is expected that all outstanding warranty claims will be processed and recognized in the second quarter.

Operating cost per passenger kilometre including and excluding propulsion were $0.13 and $0.12, slightly higher than target for quarter one showing a stable trend.

Mean distance between failures of 374,086 kilometres exceeded the target by 50 per cent and exceeded the last four quarter average by 6 per cent. This was a result of SkyTrain vehicle maintenance technicians completing the Bombardier training on the MKII trains. As a result of this training, internal staff are able to perform more maintenance 24/7, reducing the amount performed by Bombardier staff during the week.

There were no collisions or derailments during the first quarter of 2011. There was one incident in the past four quarters that caused the 0.02 result when a train derailed at the King George tail track.

Lost time frequency of 5.54 was significantly higher than the expected target of 2.12 and higher than the four quarter average of 3.63. In fact, this was the highest quarterly lost time frequency in three years. During the first quarter of 2011, there were seven LTAs compared to an annual target of ten, and compared to twelve in the entire year of 2010. One of the 2011 LTAs was a result of an accident that occurred in 2010 that had no impact until 2011. Of the remaining six 2011 LTAs, two were a result of elevator/escalator technicians being rear ended in a company vehicle, three accidents were strains, and one resulted from a slip on ice. The LTAs are being examined to determine how to bring the frequency back on target, and the safety and human resources departments are working to determine what can be done to limit the time lost from injuries.

Canada Line

Service reliability and availability results for the first quarter of 2011 of 100 per cent each were consistent with the targets and prior four quarters.

Perception of security on board of 8.6 exceeded the target.

Complaints per one million passengers of 14.6 were Canada Line's lowest result in any one quarter since inception and were significantly below the prior four quarter average of 20. This is Canada Line's ongoing commitment to improve customer service.

Vehicle, station and system quality remains high for the Canada Line at 99.7 per cent, slightly below the target of 100 per cent, and in-line with results for the average four quarters ending March 31, 2011 and 2010 were consistent at 99.8 per cent.

Operating cost per vehicle kilometre of $15.41 has increased from the average prior four quarters of $14.36 due to the cap on the contractual payment being increased from 80 per cent of the base to 92 per cent in October 2010. The result is slightly below the target of $15.78.

Contract adherence monitoring of 95.5 per cent is below the target of 98.5 per cent, and in line with the prior four quarter average of 95.4 per cent. This decrease was a result of lower ratings for ticket vending machines (TVM), service phones and station ratings.

West Coast Express

Service reliability was slightly below budget at 99.7 per cent due to a freight train collision with a tractor trailer which resulted in a cancellation.

On time performance of 97.4 per cent was ahead of budget of 96.2 per cent. Delays over five minutes caused by freight, track signals, and rail issues have been more prevalent in the past year. WCE continues to work with CP to mitigate delays caused by increased freight movement.

The overall mystery shopper rating increased 5.2 per cent higher than target and 1.4 per cent over the last four quarters. The mystery shopper score is now the highest it has been in five years. Continued customer focus has contributed to higher customer satisfaction. The addition of five new train cars to address overcrowding has also contributed to the positive rating.

A new customer service database was introduced to better categorize customer concerns and complaints. The result of this implementation is a higher number of classified complaints for a total of 136.5 per million boarded passengers compared to a budget of 86.7. The majority of the complaints were due to the cancellation of trains from the freight train collision, transition of a new coffee contractor, and customer feedback requesting more service.

Operating cost per total vehicle kilometre was ahead of budget due to cost savings and timing differences.

Operating/operating (excluding energy) cost per passenger kilometre was ahead of budget due to cost savings, timing differences and the increase in passengers during the first quarter.

There was one terminus delay in the first quarter 2011 that resulted in a mean distance between failures (MDBF) of 352,666 kilometres, which is more than double the target of 152,000. The delay resulted from a charger failure at Waterfront, a door problem on a new train car, and slide fence indication.

2011 Initiatives and Focus

Customer

Staff will have completed the Canadian Urban Transit Association (CUTA) Customer Service training by May 31, 2011.

Developed a test version of the automated Customer Service Announcement strategy and performance issues are being addressed.

Developed and implemented "OnTrack," a comprehensive internal and external communications strategy to minimize customer impacts during significant system construction and service changes.

To address customer concerns around safety, online customer safety training materials have been drafted. Also, BCRTC has partnered with BC Safety Authority (BCSA) to deliver passenger safety messaging on the station platforms.

Financial

Working with TransLink, CMBC and Transit Police to develop programs and targets to decrease fare evasion.

The energy consumption review and audit sponsored by the BC Hydro Power Smart program is complete for the OMC building and for each of the SkyTrain passenger stations. A formal report is expected and will identify opportunities for cutting power consumption costs.

Internal Effectiveness

BCRTC has undertaken the responsibility of prime contractor for fare gates and other capital projects where contractors are working inside TransLink/BCRTC properties. BCRTC has been extensively involved in the fare gate project to provide technical information, attend design reviews and evaluate proposals.

To avoid delays in construction, CLCO and InTransit BC have agreed that TransLink has the right to initiate fare gates construction within the Canada Line stations under the Agreement. Currently finalizing the Project Change Request.

Specific project approvals (SPA) were received on April 26, 2011 for both (i) the migration of BCRTC's Human Resource Information System (HRIS) to PeopleSoft, and (ii) an integrated data management system for Safety, Security and Environment needs.

BCRTC continues to dedicate resources to oversee and manage external developers building adjacent to SkyTrain routes to ensure successful and appropriate integration. To ensure the safety of SkyTrain's stations is not compromised, additional field staff is scheduled to monitor construction areas as required.

The installation of the CCTV Video Recording equipment on the new MKII trains is partially complete and is expected to be in revenue service by the end of 2011. Resource impacts are budgeted – currently recruiting for operational positions.

People

A Learning Management System with supervisory report enhancements is 85 per cent complete and usability for instructors and learners is 50 per cent complete. The roll out of the system to the Enterprise is to be determined.

In response to the Exempt Employee Engagement survey results representatives from the rail division are involved in focus groups sessions that will be led by a third party consultant to address engagement drivers.

The Employee Annual Recertification Program for all departments is under review and course content for the mandatory training as defined in BCRTC's Safety Management System (SMS) is being revised.

To increase accessibility to training and to reduce overtime costs, computers have been installed in four reporting locations and several courses are available online for field operations staff.

Ratification in favour of the mediated collective agreement was received on April 4, 2011. Work is underway to implement agreed-to items and revisions to the collective agreement.

Risks and Challenges

Major risks to achieving both the 2011 budget and forecast are as follows:

The outcome of CMBC's 2011 labour negotiation with CAW will impact CUPE 7000 employees due to a comparative wage increase clause in the collective agreement ratified in April 2011. This will also impact Canada Line payments.

Costs of service impacts or additional staff support required during fare gate construction. It is expected that any additional staff recruited to support the fare gate construction will be funded by the project budget.

The potential high costs of the change order and schedule for construction of Canada Line's fare gates. Work is ongoing to finalize the change order and schedule.

Ongoing operational challenges through to the end of 2011 and associated mitigation strategies are as follows:

Maintenance costs for both staff and parts as the new MKII vehicles and seven new WCE bi-level trains come off warranty could be higher than anticipated. To help mitigate part related costs, BCRTC will purchase unused spare parts from Bombardier at substantially reduced prices.

Construction impacts of the fare gates at the stations for customers and safety are probable. All contractors are required to present a Passenger Mitigation Plan (PMP) for each station and station area where customers may be affected. As several stations may be under construction simultaneously, the hiring of resources to watch over the multiple work sites may be a significant challenge.

Construction of fare gates will impact some of our retail outlets, resulting in loss of revenue as some of our retailers will face operating disruptions or temporary closures. Strategies have been discussed with vendors to minimize the potential impacts.

Maintenance repair costs will increase due to system failures if an equipment upgrade or retrofit (capital) project is postponed or deferred. Proactive maintenance strategies are being used when appropriate to minimize service disruptions, however, the added costs will involve spare parts and overtime from unscheduled call-outs.

Delay in hiring elevator/escalator apprentices for the training program will continue to impact overtime.

Monitoring of contractors building adjacent to SkyTrain stations effects regular maintenance as operational, engineering or maintenance staff are called upon to monitor contractors or provide technical support thereby taking resources from regular maintenance. To help mitigate this risk, BCRTC has a dedicated resource to manage the developers.

Ability of WCE to continue to maintain its high level of service and safety given significantly increased ridership resulting from increased fuel costs.

The migration, integration, and implementation from BCRTC's existing FoxPro system to HR PeopleSoft are complex. A mitigation plan has been developed to ensure normal functional responsibilities are fulfilled.

Property Tax, Rentals, Fare Media and Insurance

Financial Performance

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
Insurance	$ 1,664	$ 1,687	$ 23	$ 6,827	$ 7,040	$ 213
Fare Media	651	722	71	2,817	2,888	71
Property Taxes	2,261	3,062	801	9,046	12,247	3,201
Property Rentals	4,372	4,672	300	18,788	19,071	283
Others	1	-	(1)	1	-	(1)
Total	$ 8,949	$ 10,143	$ 1,194	$ 37,479	$ 41,246	$ 3,767

First Quarter Highlights and Forecast

These costs are administered and managed by TransLink. Property taxes are showing an $800 thousand favourable variance year-to-date and an annual forecast favourable variance of $3.2 million due to an exemption received for Canada Line properties. Property rental costs for CMBC are forecast to be below budget by $283 thousand. Insurance cost are currently tracking below budget, with the actual insurance rates becoming available in June.

Risks and Challenges

Insurance rates are likely to increase due to global events. TransLink will work to negotiate the lowest rates possible.

TRANSIT POLICE

Financial Performance

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
Admin	$ 647	$ 854	$ 207	$ 3,493	$ 3,493	$ -
Operations	219	287	68	1,555	1,287	(268)
Salaries	5,078	5,429	351	24,159	24,025	(134)
Recoveries	(3)	(32)	(29)	(127)	(127)	-
Total	$ 5,941	$ 6,538	$ 597	$ 29,080	$ 28,678	$ (402)

First Quarter Highlights and Forecast

The year-to-date expenditures are $0.6 million under budget with the annual forecast expected to be $0.4 million unfavourable. Operations are expected to exceed budget due to the backfilling of the vacant Chief Officer and Deputy Chief Officer positions with secondments from Vancouver Police Department (VPD). Salaries will exceed budget due to the 3 per cent wage increase awarded to unionized staff (COPE) of $505 thousand offset by savings of $370 thousand from the vacant Chief Officer and Deputy Chief positions being filled by secondments from VPD.

Risks and Challenges

Legal costs may exceed budget (Administration costs) by a significant amount as predicting Police Act investigations and estimating legal fees is extremely difficult.

TRANSLINK

Financial Performance

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
Board, Mayors' Council, Commissioner	$ 322	$ 381	$ 59	$ 1,449	$ 1,608	$ 159
Corporate (Division & General)	11,914	15,240	3,326	63,999	65,269	1,270
Other	(354)	973	1,327	10,762	10,431	(331)
Total	$ 11,882	$ 16,594	$ 4,712	$ 76,210	$ 77,308	$ 1,098

First Quarter Highlights and Forecast

TransLink has a favourable variance of $4.7 million for the first quarter of the year. This favourable variance is the result of timing differences mainly in Business Technology and Planning, lower salary costs due to vacant positions not filled, and the deferral of the TMAC server replacement until 2012. The annual forecast for TransLink is $1.1 million favourable.

Board, Mayors' Council, Commissioner

Financial Performance

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
Board, Mayors' Council, Commissioner	$ 322	$ 381	$ 59	$ 1,449	$ 1,608	$ 159

First Quarter Highlights and Forecast

The annual forecast favourable variance is related to an over accrual for 2010 work done by the Commissioner.

Corporate Divisions and General

Financial Performance

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
Corporate (Divisions & General)						
Divisons						
CEO	195	209	14	933	939	6
COO	4,763	6,155	1,392	26,460	27,241	781
Customer & Public Engagement	1,621	1,988	367	8,341	8,341	-
CFO - Finance, Corporate Services & Real Estates	2,032	2,305	273	9,784	9,871	87
Planning, Strategy & Technology	1,182	2,225	1,043	9,301	9,924	623
Human Resources	549	581	32	2,779	2,755	(24)
	$ 10,342	$ 13,463	$ 3,121	$ 57,598	$ 59,071	$ 1,473
General	1,572	1,777	205	6,401	6,198	(203)
Total Corporate	$ 11,914	$ 15,240	$ 3,326	$ 63,999	$ 65,269	$ 1,270

First Quarter Highlights and Forecast

TransLink Corporate is under budget by $3.3 million year-to-date. The corporate office is forecasting to be $1.3 million under budget. Timing differences account for the reduction from the first quarter favourable variance with the balance being the result of lower salary expenses due to vacant positions not filled. Detailed information on all divisions follows.

CEO's Office

First Quarter Highlights and Forecast

The CEO's office is on budget year-to-date and is forecasting to be on budget at year-end.

2011 Initiatives and Focus

The initiatives and focus for the CEO's office is reflected in the priorities and work program outlined in the corporate strategic plan and the internal audit plan.

Risks and Challenges

The Internal Audit department continues to function with limited resources.

COO's Office

First Quarter Highlights and Forecast

The year-to-date variance is mainly due to a re-organization that took place in the first quarter that centralized information technology services at TransLink. As a result, some major spending was deferred until later in 2011.

Business Technology is forecasting a favourable variance of $618,000 for the year mainly due to delays in hiring new staff.

Engineering & Implementation is forecasting a favourable variance of $133,000 in 2011. Delays in hiring for vacant positions and a reduction in consulting fees make up the majority of the variance. Offsetting these is an unbudgeted contribution to Transport Canada ($37.5 thousand) for the "empty container information management system proof of concept study."

The Emergency Planning department is forecasting to be under budget by $34 thousand. This is made up of a vacant position in the first quarter along with less than budgeted consultant fees.

2011 Initiatives and Focus

In order to transform the business, TransLink has identified several initiatives to improve information technology resources including:

- Several Network and Data Analyst positions were approved and as of February 15, 2011 are proceeding through the hiring process.
- Recruitment for the Website support resource is also underway. The position is anticipated to be filled mid-May 2011.
- Network and Data Centre Capacity Upgrades are underway and will continue to occur throughout 2011, to coincide with capacity and transaction volume growth requirements.

Risks and Challenges

Payment Card Industry compliance validation requires engagement of a qualified security assessor to complete a compliance assessment and ensure full compliance. The initial assessment cost is estimated to be $50 thousand which was unbudgeted.

Securing appropriately skilled resources to meet the project work load is a risk and challenge.

Customer and Public Engagement (CAPE)

First Quarter Highlights and Forecast

As a result of timing issues, the CAPE division is $367 thousand under budget year-to-date but is forecast to be on budget at year-end.

2011 Initiatives and Focus

Customer

Developed and introduced Compass smart card brand to the public.
TransLink Twitter followers increased by 64 per cent.

Stakeholder

TransLink continues to facilitate the Memo of Understanding between the Provincial Government and the Mayors' Council.
Enhancing community interest in transportation issues through continued engagement.

Financial

Leverage TransLink's website for advertising.

Risks and Challenges

TransLink staff are working with provincial and municipal leaders to provide technical support to help them remain engaged in support for the MOU.

CFO – Finance and Corporate Services

First Quarter Highlights and Forecast

The Finance and Corporate Services division is $273 under budget in the first quarter of 2011. The majority of this favourable variance is the result of timing issues. The division is forecast to be under budget by $87 thousand by the end of the year, due to the delay in hiring an Enterprise Risk Manager.

2011 Initiatives and Focus

Customer

Revenue operations is in the process of signing the remaining eligible schools to the UPass BC Program and continues participating in the design of the SmartCard system to ensure privacy sensitivity issues are addressed.

Financial

The final draft of both a debt policy and cumulative reserve policy strategy will be presented to the Board in July, 2011.

A new business strategy and business plan for the Real Estate department will be prepared in the fall. A proposed outline for the Real Estate approach going forward will be provided to and discussed with the Board in June.

Effective January 2012, TransLink will be required to transition to new Accounting Standards. A mock up of financial statements under PSAB is being presented to the audit committee in June. Once the direction for Accounting Standards is finalized, a detailed analysis and implementation plan will be determined.

Internal Effectiveness

In order to improve efficiency and effectiveness the division is implementing the following:

- A Treasury Management System is being implemented with anticipated completion by October, 2011.
- Parking Tax System Delinquency and Audit modules have been implemented and the appeals module has been designed and is scheduled to be implemented by mid-year.
- Selection process currently underway for new budget and planning software system.
- Review of the ERM system to include developing risk dashboard indicators is scheduled to be completed by September, 2011. Risk Management System migration underway and expected to be complete by year end.
- Implement electronic workflow for capital approval. Phase I (requirements study/solution research/funding case) has been completed. Capital funding has been approved to start phase 2 (system implementation). The project is currently undergoing the procurement phase. The system build is expected to commence fall 2011.
- The design and development of the entity wide real estate database has now been completed and is in use. Population of the data base is ongoing and will be complete late 2011.

The restructuring of the Captive from a Sophisticated Captive to a Pure Captive including an updated Business Plan & Strategy is complete in 2010, with a business plan to be updated by the fall of 2011.

Two key sites acquired for the bus network are under contract, one of which will replace the facilities currently housed at the Oakridge Transit Centre (OTC). It is anticipated that the agreement for purchase will be complete in the summer.

People

The Enterprise Revenue department has restructured to a functional model.

Risks and Challenges

There is a significant amount of change occurring with respect to information technology resources and applications.

Having inadequate resources to manage competing priorities poses a risk.

Inadequate facilities to meet the needs of the future operations should the land deals not complete is a risk.

Strategic Planning and Policy

First Quarter Highlights and Forecast

The Strategic Planning and Policy division is under budget year-to-date by $1 million. More than $400 thousand of this is expenditure timing issues while the balance provides a favourable annual forecast variance of $600 thousand, mainly due to the delay in hiring new positions.

2011 Initiatives and Focus

Customer

Regional Detectorization Strategy and Iris Rail Advanced Warning System RFPs issued, evaluated and contract negotiations are underway.

Bus Wayfinding System – system design completed.

Fare gates wayfinding upgrade – design/fabricate Capital contract let.

Financial

SFU Gondola – completed Business Case.

Stakeholder

Compiled information on 2010 Sustainability Dashboard of Indicators.

Scoped/chartered Transport 2045, initiated stakeholder engagement, secured Provincial sponsorship.

North Shore Area Transit Plan – Phase 2 underway with completion on target for June 2011.

Service Optimization Initiative – April implemented, June approved and strategy approved for September and December 2011. Executive approved project extension to reach target in 2012.

Concept design work at Metrotown, Commercial/Broadway and Sapperton stations has been completed.

Internal Effectiveness

Produced a draft sustainability decision-making tool.

New demand model initiated, VKT model finalized.

Initiate long term service strategies for WCE and Canada Line.

People

Preparing implementation strategy and plan for roles and responsibilities of Service Planning – CMBC and TransLink.

Develop initiatives September and December service optimization plan with expanded responsibility under new roles and responsibilities.

Risks and Challenges

Managing multiple projects and priorities.

Human Resources

First Quarter Highlights and Forecast

In the first quarter of 2011, a decision was made to move the responsibility and accountability of the majority of shared services to a centralized model under TransLink. In addition to continuing to lead overall human resources strategy, TransLink Human Resources will take on responsibility for the development and delivery of HR services to exempt staff across the family of companies. This includes succession planning, leadership, recruitment, compensation, performance management, job evaluation and salary administration.

Human Resources has a minor year-to-date variance due to the timing payment of exempt merit increases.

The annual forecast will expect to have a minor unfavourable variance mainly due to higher relocation and recruitment costs.

2011 Initiatives and Focus

Internal Effectiveness

The business transformation initiative moved over to Human Resources department early this year. A consultant has provided change management support to 3 different areas to-date: Smart Cards project, Service Planning Departments and Infrastructure and Transit Service Design area and the Records Management project.

The focus for the remainder of the year is to hold focus groups to look at developing a change management toolkit throughout the organization. Train the trainer sessions to build internal capacity to deliver change management techniques as required. The goal is to ensure change management is embedded in enterprise initiatives.

People

Preliminary research work will begin this fall by the compensation team on the total rewards program.
Review Sky-Learn (BCRTC web based training) and CUTA Customer Service training and design employee training and development initiatives for enterprise-wide delivery. Implement Employees in Motion enterprise-wide.

Risks and Challenges

The implementation and the interpretation of the policies may provide a challenge as the policies will be enterprise-wide. Will require coordination and communication across the enterprise.

Extend PeopleSoft HR functionality to BCRTC – funding still needs to be approved

General Corporate Costs

First Quarter Highlights and Forecast

The first quarter shows a favourable variance of $0.2 million, mainly due to the timing of professional fees budgeted but not expended in the first quarter. The annual forecast is expected to be $0.2 million unfavourable to budget due to increased benefits costs.

Risks and Challenges

Minimal

Other

Financial Performance

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
Studies	$ (140)	$ 793	$ 933	$ 9,644	$ 9,663	$ 19
Other one time projects	38	283	245	1,633	1,143	(490)
Real Estate Holding Costs	274	271	(3)	1,097	1,084	(13)
Operational Costs	60	126	66	473	539	66
Capitalization of direct salary costs on Capital projects	(586)	(500)	86	(2,085)	(1,998)	87
Other	$ (354)	$ 973	$ 1,327	$ 10,762	$ 10,431	$ (331)

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
Provision for Contingencies	$ -	$ -	$ -	$ 10,075	$ 10,075	$ -

First Quarter Highlights and Forecast

Studies are reporting a $933 thousand favourable variance year-to-date. The first quarter results are the result of timing issues and the annual forecast is expected to be on budget.

Other one-time project highlights include:

- Federation of Canadian Municipalities (FCM) loan projects will be higher than budgeted by $717 thousand. This program will be finalized as soon as possible to honour our commitment to FCM to complete the project before June 2014. The 2011 TransLink Environmental Reinvestment Funds will be awarded to the following projects: Bus Electric Cooling System Retrofit, BTC Building Automation System, BTC Lighting Retrofit, SFU Gondola Business Case, TravelSmart Website, Ride sharing 2.0 and Olympic Transportation Legacy Pilot Projects: Bus Lane Network Expansion Feasibility Study.
- Change Business Transition is forecasting a favourable variance of $137 thousand. The favourable variance is mainly related to the secondment of the Change Management Director from BC Rapid Transit that ended in March. Under the direction of TransLink VP Human Resources, support will be provided to project managers and their teams by offering change management guidance and coaching as required.
- Smartcard - non-capitalized costs will be lower than planned by $90 thousand.

Real estate holding costs are essentially on target with the budget.

Under the operational costs section, the Next Bus Program is expected to be under budget by $66 thousand at year-end.

TransLink capitalizes labour charges for individuals working on specific capital projects. The total forecast for 2011 is $2.1 million which is slightly above the budget of $2.0 million.

In order to mitigate risk, a $10.0 million contingency has been included in the 2011 budget for unforeseen expenditures, and provide opportunities for reinvestment. Access to these funds is supported by a business case and approved by the executives. These funds will be made available for high priority items. However, if revenues decline at a greater rate than what is anticipated in this budget, then these funds may no longer be available.

5. DEBT SERVICE COST

Financial Performance

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
GAAP						
Interest Expense	$ 42,557	$ 43,096	$ 539	$ 172,914	$ 172,040	$ (874)
Depreciation Expense	37,193	40,713	3,520	152,774	166,977	14,203
Total GAAP Debt Service	$ 79,750	$ 83,809	$ 4,059	$ 325,688	$ 339,017	$ 13,329
Funding Adjustments*						
Interest Expense	(16,309)	(16,329)	(20)	(65,831)	(65,831)	-
Depreciation Expense	(34,935)	(38,038)	(3,103)	(142,469)	(154,352)	(11,883)
Debt Repayment	23,356	23,356	-	95,489	97,835	2,346
Total Funding Adjustments	$ (27,888)	$ (31,011)	$ (3,123)	$ (112,811)	$ (122,348)	$ (9,537)
Funded Debt Service Costs	$ 51,862	$ 52,798	$ 936	$ 212,877	$ 216,669	$ 3,792
GEB Capital Payments**	9,864	9,873	9	46,452	46,452	-

*Funding adjustments include costs related to government funded capital assets

** Monthly scheduled installment payments to GCGP for repayment of the capital cost incurred by the GCGP

First Quarter Highlights and Forecast

The interest savings for a later than budgeted long-term debt issue has been offset by a combination of higher forecasted interest rates (4.75 per cent compared to 4.50 per cent budgeted) on existing long-term debt and higher short-term debt costs. With the delay in long-term borrowing to the fall more reliance is placed on short-term debt financing which has increased the short-term debt costs. Short-term interest rates are forecasted to be the same as budgeted.

Favourable variances due to lower capitalizations at the end of 2010. Most of these capitalizations would have shifted to 2011, but in terms of amortization policy will only incur a half-year's depreciation charge (would be a full year if they had been capitalized in 2010).

The favourable forecasted debt variance reflects the deferring of the budgeted $105 million long-term debt issue to the fall of 2011. It was expected that about half of the long-term debt issues would be done in the spring of 2011 to allow more flexibility in the timing of bond issues in the event that it became more advantageous to do some or all of the long-term borrowing in the spring. A $200 million bond issue is now expected in the fall of 2011.

Monthly scheduled installment payments paid to the Golden Crossing Group Partnership (GCGP) is for repayment of the capital cost incurred by the GCGP.

Risks and Challenges

Interest expense is most sensitive to the timing of capital project cash flows. These remain hard to predict.

Project cash flow uncertainties and timing of federal contributions remain a challenge as this impacts the amount and timing of long-term borrowing. It is expected that the new Treasury Management System, which will be fully

implemented later in the year, will help in this regard making project mangers more accountable for their cash forecasts and also giving finance a more accurate estimate of cash flows. Estimating useful lives of buses and optimal replacement cycles is a challenge. CMBC's fleet management staff is working on this process.

GEB payments are subject to inflation, which if higher than anticipated will be difficult to pass on to the bridge users through higher tolls.

6. AIRCARE

This is a restricted fund used to capture the revenues and expenses of the AirCare vehicle emissions testing program. Under legislation, the program must recover all of its costs over a five-year period, including annualized equipment costs.

Financial Performance

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
Revenue	$ 4,737	$ 5,136	$ (399)	$ 18,007	$ 18,405	$ (398)
Expenditures						
Variable	$ 4,319	$ 4,318	$ (1)	$ 17,272	$ 17,271	$ (1)
Semi-Variable/Fixed	371	544	173	1,913	2,012	99
Depreciation	93	113	20	432	452	20
Total Expenditures	$ 4,783	$ 4,975	$ 192	$ 19,617	$ 19,735	$ 118
Surplus / (Deficit)	$ (46)	$ 161	$ (207)	$ (1,610)	$ (1,330)	$ (280)

Key Performance Indicators

KPIs	YTD Actual	YTD Target	Variance Fav./ (Unfav.)	4 QTRS. Ending Mar 31/11	4 QTRS. Ending Mar. 31/10	Trend *
Complaints per 10,000 vehicles tested	4.25	n/a		5.10	n/a	▸

▲ favourable, ▼ unfavourable, ▸ no change

First Quarter Highlights and Forecast

In the First quarter of 2011, revenue is $0.4 million below budget, due to 6.2 per cent (7,921) fewer inspections. Total expenditures are $0.2 million below budget. The majority of this favourable variance is the result of saving on administration costs and depreciation costs.

The revenue is expected to maintain the level as budgeted for the remainder of the year. The expenditures will have a small favourable variance. Majority of the expenditures is the contractor cost which is set for a 5-year term. Total compensation will be lower than the budget with one employee seconded (half of the year) to GVRD.
The revenue is expected to maintain the level as budgeted for the remainder of the year. The expenditures will have a small favourable variance. Majority of the expenditures is the contractor cost which is set for a 5-year term.

Key performance indicators

Complaints per 10,000 vehicle inspections tested for the three months ended March 31, 2011 were below the 4-quarter rolling average.

7. CAPITAL

Context/Overview

The Capital Budget envelope is $2.3 billion. An external government contribution of $654.0 million has been identified.

Capital Program Summary
Mar 31,2011
(all $ in thousands)

Projects by Classification	Number of Projects	Current Budget	Opening Bal. Jan 1/11	2011 YTD Actual Total	Actual Costs to Date	Final Project Forecast Total[2]	Variance to Project Total	External Funding
ACTIVE PROJECTS - ALL DIVISIONS[1]								
Equipment	23	86,987	62,304	1,408	63,712	85,282	1,706	-
Facilities	20	134,428	79,633	2,114	81,747	120,040	14,388	90,604
Infrastructure	27	419,283	96,579	5,103	101,682	403,357	15,926	163,808
Major Construction Projects	1	573,580	558,005	8,398	566,404	572,701	879	-
Minor Capital Account	13	2,607	1,380	159	1,539	2,178	429	23,927
Technology Applications	17	31,013	9,335	832	10,167	28,955	2,058	4,754
Vehicles Conventional Revenue	16	779,051	724,899	1,239	726,139	737,329	41,722	301,440
Vehicles Other Revenue or Non Revenue	5	23,447	7,073	31	7,104	22,308	1,140	16,234
Total Active Projects	**122**	**2,050,396**	**1,539,209**	**19,285**	**1,558,494**	**1,972,149**	**78,247**	**600,767**

[1] *Inclusive of subsidiary capital*

[2] *Breakdown per period:*

Prior to 2011 actual costs to date:	1,562,519
Projects closed or removed*	(23,310)
Net Prior to 2011 actual costs:	**1,539,209**
Add: 2011 actual costs:	19,285
Total actual costs to date	**1,558,494**
Forecasted costs to 2014:	413,655
Final Project Forecast Total:	**1,972,149**

* *Contribution type projects are removed from capital reporting*

Projects by Classification	Number of Projects	Current Budget	Opening Bal. Jan 1/11	2011 YTD Actual Total	Actual Costs to Date	Final Project Forecast Total[2]	Variance to Project Total	External Funding
APPROVAL-IN- PRINCIPLE PROJECTS - ALL DIVISIONS[1]								
Equipment	6	3,225	-	-	-	3,225	-	-
Facilities	3	50,350	-	-	-	50,350	-	-
Infrastructure	15	28,410	-	-	-	28,410	-	3,542
Major Construction Projects	1	9,000	-	-	-	9,000	-	-
Technology Applications	28	12,606	-	-	-	12,606	-	-
Vehicles Conventional Revenue	4	117,045	-	-	-	117,045	-	49,886
Vehicles Non Revenue	1	225	-	-	-	225	-	-
Total remaining approval in principle projects	**58**	**220,861**	**-**	**-**	**-**	**220,861**	**-**	**53,428**

[1] *Inclusive of subsidiary capital*

ACTIVE PROJECTS	Number of Projects	Current Budget
Opening Balance, January 1, 2011	111	2,048,849
Additions (Specific Project Approval - Initiated)	21	13,255
Other (i.e. non AIP projects, cancellations)	(1)	(8,468)
Closed	(9)	(3,241)
Ending Balance, March 31,2011	**122**	**2,050,396**
APPROVAL IN PRINCIPLE PROJECTS	58	220,861
Total Capital Program	**180**	**2,271,257**

ACTIVE PROJECTS

First Quarter Highlights and Forecast

For the quarter ending March 31, 2011, the active project variance consisted of $78,247 favourable and was primarily made up of the following:

Equipment: Variance of $1,706

The major components of the $1,706 variance are primarily due to the following:

- West Coast Express Ticket Vending Machines Replacement (project 0443) is expected to be under budget by $700 as a result of savings in the contract award.
- CCTV Camera on Buses (project 0613) is expected to be under budget by $831 primarily because: $150 of savings from contract award and installation of cameras in Phase I of the project.
- $556 of savings from competitive tender pricing for wireless LAN installations and lower network equipment prices in the contract award.

Facilities: Variance of $14,388

The major components of the $14,388 variance are primarily due to the following:

- SkyTrain Operating & Maintenance Centre Expansion (project 0520) is expected to be under budget by $10,609 primarily due to:
  - $2,780 due to favourable market conditions at the time of contract award for design and construction.
  - $4,420 due to savings in vehicle yard construction costs.
  - $3,300 due to unused overall project contingency.
- Surrey Transit Centre - Expansion of Maintenance Garage and Bus Parking Capacity (Project 0829) is expected to be under budget by $634 from savings in the contract award due to downtrend economy and market conditions.
- Hamilton Transit Centre Preliminary and Detailed Design (Project 0921) is expected to be under budget by $733 savings due to unused contingency and project management budgets.

Infrastructure: Variance of $15,926

The major components of the $15,926 variance are primarily due to the following:

- The Canada Line Bus Loops (project 0620) is expected to be under budget by $4,907 primarily due to:
  - $2,025 of the project budget remains unused as the Brighouse bus loop was cancelled.
  - $2,546 of unused contingency.
- The Pattullo Bridge Scour Protection Design (project 0707) is expected to be under budget by $802 due to:
  - $231 in savings from competitive tender prices secured on construction work.
  - $144 of savings on consultant, project management, and Interest during Construction (IDC) costs.
  - $427 of unused contingency.
- The first phase of the Broadway SkyTrain Station Upgrade (project 0830) is expected to be under budget by $4,469 primarily due to:
  - $997 of savings in contract award due to the downturn of the construction industry.
  - $2,176 of unused contingency.
  - $719 of cost savings resulting from supervision expenditures being lower than anticipated.
- The PCTC CNG Bus Fuelling Station Infrastructure Renewal (project 0805) is expected to be under budget by $502 primarily due to contract award savings.

- The Kingsway Trolley Overhead Rectifier Building Envelope Rehabilitation (project 1003) is expected to be under budget by $641 primarily due to:
  - $185 in contract award savings for design services.
  - $350 of unused contingency.

Technology Applications: Variance of $2,058

The major components of $2,058 variance are primarily due to the following:

- The Skytrain Fibre Optic Systems Upgrade (project 0905) is expected to be under budget by $1,032 primarily due to savings from competitive tender pricing for construction of Stage 1 fibre optic cables.

Vehicles – Conventional Revenue: Variance of $41,722

The major components of the $41,722 variance are primarily due to the following:

- $3,816 related to the expansion of 34 additional Mark II SkyTrain Vehicles (project 0628) is expected to be under budget primarily due to:
  - $344 of unused vehicle contingency.
  - $1,495 cost savings in vehicle testing as these costs were charged directly to the vendor.
  - $388 of unused budget related to setup and implementation.
  - $271 budget for IDC was unused mainly due to external funding.
  - $166 of unused budget related to Project Management costs.
- $7,778 related to the 69 Standard 40′ Diesel buses & 7 articulated 60′ Hybrid buses (project 0710) is expected to be under budget primarily due to:
  - $3,504 of savings in contract awards due to favourable market conditions.
  - $933 of special equipment costs were built into the bus unit price on the 40′ contract so a separate budget was not required.
  - $2,000 of unused vehicle contingency.
- $9,624 related to the 109 Standard 40′ Hybrid Nova buses (project 0714) is expected to be under budget primarily due to:
  - $5,719 of savings resulting from a lower contract price for the 40′ Hybrids.
  - $2,810 of unused vehicle contingency.
- $4,114 related to the 56 Standard 40′ Diesel buses & 21 articulated 60′ Hybrid buses (project 0802) is expected to be under budget primarily due to:
  - $1,666 of savings resulting from lower contract prices for the 60′ Artic Hybrids bus contract and the 40′ Standard Diesel bus contract.
  - $1,779 of unused vehicle contingency.
- $1,589 related to the 11 Articulated 60′ Hybrid Spares (project 0808) is expected to be under budget primarily due to:
  - $535 of savings in the contract award for the 60′ Hybrids due to favourable market conditions.
  - $550 of unused vehicle contingency.
- $3,569 related to the expansion of 14 additional Mark II SkyTrain Vehicles (project 0814) is expected to be under budget primarily due to:
  - $756 of unused contingency.
  - $400 of unused budget for testing, as this was covered by the vendor.
  - $249 of unused budget for factory audits.
  - $2,041 budget for Interest during Construction (IDC) was unused mainly due to external funding.
- $4,793 related to the expansion of 34 Articulated Trolley buses and upgrades to the Vancouver Transit Centre (under project 0822) is expected to be under budget primarily due to:
  - $200 of savings in the contract price for the Articulated Trolleys due to a favourable Euro exchange rate.
  - $2,250 of vehicle contingency was not required due to minimal changes to the bus design and vehicle unit price.

- $1,435 in IDC savings mainly due to external funding.
- $700 cost savings due to lower individual sub-component and material costs through bulk purchasing by combining the 2009 hybrid and diesel bus orders.

- $2,147 related to the 32 Standard 40' Hybrid Nova buses (project 0824) is expected to be under budget primarily due to unused vehicle contingency.
- $1,595 related to the expansion of 20 additional Community Shuttle Vehicles (project 0831) is expected to be under budget primarily due to:
  - $751 of materials and installation cost savings due to the fact that fewer fare boxes and radios were required.
  - $282 in cost savings due to the overall vehicle contract price being lower than budget.
  - $200 in vehicle contingency not being required since favourable pricing was secured on the vehicle contract.
- $805 related to the Bus Technology Demonstration (project 9092) due to recoveries from vendor, which were not reflected in the project's budget at project initiation.
- $1,342 related to the West Coast Express Fleet and Facility Expansion (project 0914) coming under budget primarily due to unused contingency.

Vehicles – Other Revenue: Variance of $1,140

The major components of the $1,140 variance are primarily due to the following:

- The replacement of 30 and the expansion of 25 HandyDART vehicles (project 0818) is expected to be under budget by $508 primarily due to:
  - $235 in contract award savings due to favourable pricing.
  - $192 of unused vehicle contingency.

APPROVAL IN PRINCIPLE PROJECTS

First Quarter Highlights and Forecast

In the first quarter, one third of the Approval in Principle (AIP) projects were initiated. Significant projects not yet initiated at the end of the first quarter include:

- 100-400 Series MK-I Overhaul - Refurbish and Modernize ($55 million) – currently still in the project design stage with anticipated SPA approval in June.
- Trolley Overhead, Non-Revenue Vehicle, and Community Shuttle Relocation ($50 million) – Progress on this project is pending completion of real estate transactions expected to close in the summer.
- Second Replacement SeaBus ($15 million) – Was given SPA in April 2011 at $25 million. The increase reflects the change from the original AIP of refurbishment to replacement.

Risks and Challenges

The approval in principal stage is based on an estimated project budget in advance of detailed design and scoping. Specific project approval request budgets may be higher or lower than the Approval in Principle budgets, so monitoring overages and under spent funds in the active projects program can free up sufficient funds to address the budget variances and adequately manage the overall capital envelope. In addition, management will consider further prioritization and deferral of projects if required to ensure the capital envelope is balanced.

8. FINANCIAL POSITION AND CASH FLOW

The Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows as at March 31, 2011 are included in Appendix 1. A brief analysis of those statements is presented below.

FINANCIAL POSITION

Total assets have decreased by $17.6 million. Included in this is a decrease in net capital assets of $29.6 million and an increase in debt sinking funds of $5.0 million. The cash balance shows a decrease of $30.4 million mainly due to the timing of senior government contributions. Short term investments have increased by $94.8 million and receivables has decreased by $61.1 million.

Funding for capital assets is provided by long-term borrowings and senior government contributions. Net long-term debt has increased by $0.5 million.

LIQUIDITY/CASH FLOW

A positive cash flow of $76.9 million was generated in the first quarter of 2011 from operations. This positive cash flow mainly reflects the receipt of the $122.5 million federal gas tax contribution from UBCM. As most of these funds are restricted for future capital asset purchases, these funds were invested in short-term investments, accordingly short-term investments increased by $94.8 million.

The $10.5 million purchase of capital assets was funded out of cash on hand and the $2.7 million net proceeds from disposals of capital assets. These proceeds reflect the sale of surplus Canada Line property.

9. APPENDIX 1 – FINANCIAL RESULTS

TransLink (Excluding AirCare)
2011 Revenue and Expenditure Summary Statement
On a Funding Basis

Schedule 1

A. Revenues and Expenditures

($000's)	2011 Mar YTD Actual	2011 Mar YTD Budget	2011 Fav./ (Unfav.)	2011 Current Forecast	2011 Annual Budget	2011 Fav./ (Unfav.)	2011 BUDGET (GAAP) YTD
Revenues							
Transit	105,735	99,859	5,876	437,310	432,525	4,785	432,525
Transit Revenues	105,656	99,859	5,797	436,681	432,525	4,156	432,525
Mission Subsidy	79	-	79	629	-	629	-
Golden Ears Bridge Tolls	7,477	8,559	(1,082)	35,368	37,792	(2,424)	37,792
Real Estate	-	-	-	35,000	35,000	-	35,000
Taxation							
Fuel	78,884	79,317	(433)	322,529	324,300	(1,771)	324,300
Property	69,461	69,563	(102)	278,781	279,192	(411)	279,192
Hydro Levy	4,716	4,642	74	19,035	18,737	298	18,737
Parking Sales	12,305	12,300	5	49,222	49,200	22	49,200
Replacement Tax	4,500	4,460	40	18,163	18,000	163	18,000
Total Taxation	**169,866**	**170,282**	**(416)**	**687,730**	**689,429**	**(1,699)**	**689,429**
Interest Income	712	555	157	1,864	2,619	(755)	26,217
Senior Government Capital Contributions	-	-	-	-	-	-	176,666
Senior Government Operating Contributions	4,751	4,751	-	19,269	19,269	-	19,269
Amortization of deferred Concessionare credit	-	-	-	-	-	-	23,078
Total Revenues	**288,541**	**284,006**	**4,535**	**1,216,541**	**1,216,634**	**(93)**	**1,439,976**
Expenditures							
Roads & Bridges							
Major Road Network Operations	8,496	8,760	264	34,808	35,040	232	35,040
Golden Ears Bridge Operations	2,781	2,990	209	12,252	11,950	(302)	11,950
Capital Infrastructure Contributions	-	-	-	-	-	-	67,571
Albion Ferry	114	100	(14)	212	100	(112)	100
Total Roads & Bridges	**11,391**	**11,850**	**459**	**47,272**	**47,090**	**(182)**	**114,661**
Transit							
Bus Division							
Coast Mountain Bus Company	123,482	127,985	4,503	526,055	527,987	1,932	527,987
Access Transit	11,872	11,944	72	47,265	48,148	883	48,148
Other Contractors	4,520	4,529	9	18,618	18,294	(324)	18,294
West Vancouver	3,322	3,362	(40)	13,768	13,618	150	13,618
Other Contractors	1,198	1,167	31	4,850	4,676	174	4,676
Total Bus Division	**139,874**	**144,458**	**4,584**	**591,938**	**594,429**	**2,491**	**594,429**
Rail Division							
Expo and Millenium Lines	22,722	22,721	1	95,639	94,518	1,121	95,549
West coast Express	4,488	4,929	(441)	18,525	18,726	(201)	18,775
Canada Line	23,169	23,736	(567)	100,533	100,555	(22)	100,555
Total Rail Division	**50,379**	**51,386**	**1,007**	**214,697**	**213,799**	**(898)**	**214,879**
Property tax, rentals, fare media & insurance	**8,949**	**10,143**	**1,194**	**37,478**	**41,246**	**3,768**	**41,246**
CMBC Allocated Costs	4,808	5,175	(367)	20,476	20,826	(350)	20,826
Expo and Millenium Lines Allocated Costs	1,102	1,102	-	4,492	4,492	-	4,492
West coast Express Allocated Costs	2,659	2,639	20	10,977	10,957	20	10,957
Canada Line Allocated Costs	380	1,227	(847)	1,533	4,971	(3,438)	4,971
Canada Line Allocated Costs (All)	(5,324)	(4,423)	(901)	(21,545)	(18,107)	(3,438)	(18,107)
Canada Line Allocated Costs (Credit)	5,704	5,650	54	23,078	23,078	-	23,078
Total Transit	**199,202**	**205,987**	**6,785**	**844,113**	**849,474**	**5,361**	**850,554**
TransLink	**11,880**	**16,597**	**4,717**	**76,209**	**77,308**	**1,099**	**77,308**
Transit Police	**5,941**	**6,538**	**597**	**29,080**	**28,678**	**(402)**	**28,678**
Provision for Contingencies and Reinvestments	-	-	-	**10,075**	**10,075**	-	**10,075**
Interest Expense	**26,248**	**26,767**	**519**	**107,083**	**106,209**	**(874)**	**172,040**
Depreciation Expense	**2,257**	**2,674**	**417**	**10,305**	**12,625**	**2,320**	**163,897**
Debt Repayment	**23,356**	**23,356**	-	**95,489**	**97,835**	**2,346**	-
GEB Capital Payments	**9,864**	**9,873**	**9**	**46,452**	**46,452**	-	-
Total Expenditures	**290,139**	**303,642**	**13,503**	**1,266,078**	**1,275,746**	**9,668**	**1,419,213**
Annual Surplus/(Deficit) before other items	**(1,598)**	**(19,636)**	**18,038**	**(49,537)**	**(59,112)**	**(9,575)**	**20,763**
Other Items							
Foreign Exchange	(9)	-	(9)	-	-	-	-
Loss on disposal of capital assets	24	-	24	-	-	-	-
Annual Surplus/(Deficit) before AirCare	**(1,613)**	**(19,636)**	**18,023**	**(49,537)**	**(59,112)**	**(9,575)**	**20,763**

B. Cumulative Funded Surplus

Opening Balance	**327,882**	**303,806**	**24,076**	**327,882**	**303,806**	**24,076**
(Surplus) / Deficit for the year	(1,613)	(19,636)	18,023	(49,537)	(59,112)	9,575
Closing Balance	**326,269**	**284,170**	**42,099**	**278,345**	**244,694**	**33,651**

SOUTH COAST BRITISH COLUMBIA TRANSPORTATIOATION AUTHORITY
Consolidated Statement of Financial Position
(Unaudited)
(in thousands of dollars)
March 31, 2011, with December 31, 2010 comparative figures

	Mar 31 2011	Dec 31 2010
Assets		
Current assets:		
Cash	$ 79,522	$ 109,928
Short-term investments	209,369	114,607
Accounts receivable	136,437	197,551
Supplies inventory	35,863	36,335
Prepaid expenses	12,517	8,672
	473,708	467,093
Long-term investments	20,407	20,509
Debt reserve deposits	41,159	40,857
Debt sinking funds	452,843	447,855
Capital assets	4,499,374	4,528,955
Deferred financing charge	2,136	1,975
	$ 5,489,627	**$ 5,507,244**
Liabilities and Fund Balances (Deficit)		
Current liabilities:		
Accounts payable and accrued liabilities	$ 196,579	$ 203,658
Short term loan	90,000	90,000
	286,579	293,658
Employee future benefits	52,861	51,491
Deferred concessionaire credits	678,937	684,641
Golden Ears Bridge contractor liability	1,007,275	1,000,845
Long-term debt	2,174,429	2,173,943
Deferred lease inducements	750	-
	4,200,831	4,204,578
Fund balances (deficit):		
Invested in capital assets	1,134,871	1,160,213
Externally restricted	177,246	178,825
Unrestricted deficit	(23,321)	(36,372)
	1,288,796	1,302,666
Commitments and contingencies		
	$ 5,489,627	**$ 5,507,244**

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY
Consolidated Statement of Cash Flows
(Unaudited)
(in thousands of dollars)
Three months ended March 31, 2011, with comparative figures for 2010

	Mar 31 2011	Mar 31 2010
Cash provided by (used for):		
Operations:		
Excess (deficiency) of revenue over expenses	$ (13,870)	$ 7,704
Items not involving cash	38,773	43,591
Changes in non-cash working capital	52,032	(127,329)
	76,935	(76,034)
Investing:		
(Increase) decrease in short-term investments	(94,762)	51,965
Decrease in long-term investments	102	31
Increase in debt reserve deposits	(302)	(301)
Net proceeds from disposal of capital assets	2,725	94
Purchase of capital assets	(10,454)	(15,508)
	(102,691)	36,281
Financing:		
Short-term loan proceeds (net)	-	54,000
Issue costs on short-term financing	(412)	(2,250)
Contributions to debt sinking funds - interest earned	(4,988)	(4,163)
Lease inducements received	750	-
	(4,650)	47,587
(Decrease) increase in cash	(30,406)	7,834
Cash, beginning of year	109,928	86,664
Cash, end of year	$ 79,522	$ 94,498
Supplementary information:		
Interest paid	$ 10,389	$ 6,321

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY
Consolidated Statement of Cash Flows
(Unaudited)
(in thousands of dollars)
Three months ended March 31, 2011, with comparative figures for 2010

	Mar 31 2011	Mar 31 2010
Items not involving cash:		
Amortization of capital assets	$ 37,286	$ 37,763
Amortization of bond discount	486	424
Amortization of debt issue cost	251	-
Amortization of deferred concessionaire credits	(5,704)	(5,651)
Interest accretion on contractor liability	6,430	10,925
Loss (gain) on disposal of capital assets	24	(94)
Non-controlling interest in income of TPCC	-	224
	$ 38,773	$ 43,591
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	$ 61,114	$ (80,849)
Decrease (increase) in supplies inventory	472	(1,855)
(Increase) decrease in prepaid expenses	(3,845)	2,744
Decrease in accounts payable and accrued liabilities	(7,079)	(48,459)
Employee future benefit payable	1,370	1,090
	$ 52,032	$ (127,329)

Schedule 2

Reconciliation of Cumulative Funded Surplus

Opening Balance - 2011 (Based on 2010 Q3 Forecast)	$	303,806
Reverse: 2010 Q3 Forecast		8,473
Actual Balance as of Jan 1, 2010 (Audited)		312,279
Add: 2010 Actual results (Audited)		15,603
Actual Balance as of Jan 1, 2011 (Audited)	$	327,882
Add: Excess (deficiency) of revenue over expenses		(1,613)
Closing Balance - 2011 First Quarter	$	326,269

Schedule 3

Golden Ears Bridge
Net Impact on Funding
($000's)

($000's)	Q1 YTD Actual	Q1 YTD Budget	Fav./ (Unfav.)	2011 Q1 Forecast	2011 Budget	Fav./ (Unfav.)
Revenues						
Toll Revenue	$ 7,477	$ 8,559	$ (1,082)	$ 35,368	$ 37,792	$ (2,424)
Interest	16	16	-	64	64	-
Total Revenues	7,493	8,575	(1,082)	35,432	37,856	(2,424)
Expenditures						
Tolling Concessionaire	1,439	1,439	-	6,041	5,765	(276)
O&M payments to DBFO contractor	1,003	1,050	47	4,153	4,200	47
O&M Insurance	293	325	32	1,268	1,300	32
Safety Payments to DBFO contractor	-	70	70	280	280	-
Others	47	106	59	510	405	(105)
	$ 2,782	$ 2,990	$ 208	$ 12,252	$ 11,950	$ (302)
Debt Service Costs	3,003	3,003	-	12,341	12,700	359
Capital payments to DBFO contractor	9,864	9,873	9	46,452	46,452	-
Total Expenditures	$ 15,649	$ 15,866	$ 217	$ 71,045	$ 71,102	$ 57
Funded (Deficit)/Surplus	$ (8,156)	$ (7,291)	$ (865)	$ (35,613)	$ (33,246)	$ (2,367)
Cummulative (Deficit)/Surplus	$ (39,335)	$ (38,470)	$ (865)	$ (66,792)	$ (64,425)	$ (2,367)